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REPORTS OF THE COMMITTEES OF THE PANEL ON LAND REFORMS

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PLANNING COMMISSION

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Government of India
PLANNING COMMISSION

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FOREWORD

In May 1955, the Planning Commission set up a Panel on Land Reforms with the object of reviewing the progress in the implementation of land policy proposed in the First Five Year Plan and studying further steps in connection with the Second Five Year Plan. The Panel consisted of :—

Chairman

Shri Gulzarilal Nanda,
Minister of Planning.

Members

Shri Ashoka Mehta
Professor D. G. Karve
Professor D. R. Gadgil
Shri G. Sankaran Nair
Shri H. D. Malaviya
Shri Jugat Ram Dave
Shri Lal Singh
Shri Loke Nath Mishra
Shri M. L. Dantwala
Shri N. Narsingha Rao
Shri N. Prasada Rao
Dr. Pramatha Nath Bannerji
Dr. Radhakumud Mookerji
Shri R. K. Patil
Shri Shriman Narayan

Secretary

Shri Ameer Raza

At its meeting on June 4, 1955, the Panel decided to set up committees to examine and report on different subjects. The composition of these was as follows :—

Committees	Members
1. Tenancy Reforms	Shri R. K. Patil (Convener)
	Shri H. D. Malaviya

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Committees	Members
	Shri Loke Nath Mishra Shri N. Prasada Rao Dr. Pramatha Nath Bannerji Shri Sankaran Nair Shri Shriman Narain
2. Size of Holdings	Prof. M. L. Dantwala (Convener) Shri H. D. Malaviya Shri Lal Singh Shri Narsingha Rao Shri N. Prasada Rao Dr. Radhakumud Mookerji Shri Sankaran Nair
3. Problems of Re-organisation	Prof. D. R. Gadgil (Convener) Prof. D. G. Karve Shri H. D. Malaviya Shri Jugat Ram Dave Shri Lal Singh Shri Loke Nath Mishra Shri Narsingha Rao Dr. Pramatha Nath Bannerji Dr. Radhakumud Mookerji
4. Bhoodan	Shri G. L. Nanda (Convener) Shri Loke Nath Mishra Shri M. V. Krishnappa (Dy. Minister, Food & Agriculture) Shri R. K. Patil Shri Shriman Narain

These Committees, besides holding discussions in New Delhi toured a number of States.

The Committees on Size of Holdings, Tenancy Reforms and Problems of Reorganisation submitted their reports to the Planning Commission. The Committee on Bhoodan held discussions with Acharya Vinoba Bhave. The reports of the various Committees and the discussions held by the Committee on Bhoodan with Acharya Vinoba Bhave were taken into consideration when the Second Plan was formulated. Views

expressed in the reports are not to be taken as the views of the Planning Commission except in so far as these find place in the Second Five Year Plan.

Copies of these reports were circulated to Members of Parliament. They were also supplied on request to State Governments, institutions and other persons. Since requests for copies of the Reports are still being received, it has been decided to print them.

14th May, 1958. GULZARILAL NANDA

Reports
of
The Committees of
the
Panel on Land Reforms

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REPORT

of

THE COMMITTEE ON TENANCY REFORM

(Panel on Land Reforms)

March, 1956

PLANNING COMMISSION

PREFACE

The Committee on Tenancy Reforms was constituted by the Panel on Land Reforms at its first meeting held on June 4, 1955 with the object of reviewing the progress made in the implementation of the policy proposed in the First Five Year Plan and recommending further steps in connection with the Second Five Year Plan. The following were appointed as members of the Committee :

1. Shri R. K. Patil (Convener)
2. Shri G. Sankaran Nair
3. Shri Loke Nath Mishra, M.P.
4. Shri N. Prasada Rao, M.P.
5. Shri Shriman Narain, M.P.

Shri H. D. Malaviya and Dr. P. N. Banerjee joined the Committee in July, 1955.

The Committee held preliminary discussions on June 5 and 6, 1955 and decided that before finalising its conclusions the Committee should visit some of the States. The Committee met again on August 26 to 28, when it considered a draft questionnaire. The draft report of the Committee was considered at meetings on 7th to 10th December, 1955. The Committee held its final meeting on March 6, 1956 when the report of the Committee was signed.

The Committee visited the following States :

Andhra,
Bihar,
Bombay,
Madras,
Punjab,
Uttar Pradesh,
Hyderabad,
Mysore,
Pepsu, and
Travancore-Cochin.

During their visits, the Committee held discussions with the Ministers and officers of the State Governments and met representatives of some asociations of landowners and tenants and also the Land Reforms Commission of Hyderabad.

41 villages were also visited by the Committee in various States as follows:

Name of State	*Number of villages*
Andhra	2
Bihar	8
Bombay	2
Madras	11
Punjab	4
Uttar Pradesh	5
Hyderabad	2
Pepsu	1
Travancore-Cochin	6
Total ..	41

The Report consists of two parts. In Part I, the progress of tenancy reforms has been briefly reviewed. Part II contains the recommendations of the Committee.

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PART I

CHAPTER I

INTRODUCTION

The total geographical area of India is 811 million acres. Land Utilisation Statistics are available for 718 million acres only which are as follows:—

TABLE 1*

(1) Forests	115·6	million acres
(2) Not available for cultivation	120·3	Do.
(3) Permanent pastures and other grazing lands ..	21·0	Do.
(4) Culturable waste	58·2	Do.
(5) Groves and Miscellaneous tree crops	32·7	Do.
(6) Fallows	68·1	Do.
(7) Net area sown	302·5	Do.
	718·4	Do.

The bulk of the area for which the information is not available consists of hills and forests. The cultivated area thus comprises about 403 million acres (items 5, 6 & 7). The cultivated area and the irrigated area together determine the capacity of land to stand population pressure. A study undertaken in the Planning Commission some time back indicates that the cultivated area has not shown any appreciable increase during the last four decades. Irrigated area has increased by about 10 per cent. During the same period the population has increased by 44 per cent. The expansion of employment opportunities in other sectors of the economy has also not kept pace with the rapidly increasing population. Consequently, the cultivated area per person engaged in agriculture declined steadily and the pressure of population on land has increased.

2. According to 1951 Census, the population dependent on agriculture is nearly 249 million, *i.e.*, about 70 per cent of the total population.

This consists of—

TABLE 2

	In millions	% of agricultural classes
(1) Cultivators of land wholly or mainly owned and their dependents	167	67·1
(2) Cultivators of land wholly, or mainly unowned and their dependents	32	13·1
(3) Cultivating labourers and their dependents ..	45	17·8
(4) Non-cultivating owners and their dependents ..	5	2·0
	249	100·0

*Land Utilization Statistics July, 1955.

For 249 million persons dependent on agriculture, about 403 million acres of cultivated area was available in 1951, *i.e.,* an availability *per capita* of about 1.6 acres or about 8 acres per family. It will be a little less now. The area availability in different regions of India is as under:—

TABLE 3

	Population dependent upon agriculture (in millions)*	Cultivated areas (in m. acres)	Cultivated land per capita (in acres)	Cultivated land per average family (in acres)**
North India	47	48	1·01	4·8
East India	68	86	1·25	6·3
South India	49	57	1·17	5·7
West India	24	54	2·29	11·7
Central India	38	99	2·57	11·9
North-West India	83	59	2·59	13·1
	249	403	1·61	7·9

Cultivated area available *per capita* is even smaller in many parts of the country with high population pressures, particularly, in the Lower and Upper Gangetic plains, Malabar and Orissa Coastal. There are no prospects of any decrease in the population pressure in the near future. In fact, it has been estimated that during the period of the Second Five-Year Plan which visualises an investment of the order of Rs. 4,800 crores in the public sector, there will be further addition to the population dependent on agriculture. In framing a land policy, therefore, it has to be borne in mind that during the Second Five-Year Plan period increases in the number of people dependent on agriculture for employment and sustenance are unavoidable. It may take another 10 to 15 years before this trend is halted.

3. Besides, the congestion of population in agriculture which has made demand for land acute, there are two other factors which have further aggravated the land problem. Firstly, the distribution of land is very uneven. The results of the National Sample Survey (8th round) which

*Source : Population Census of India, 1951.

**It has been calculated on the basis of average size of rural household as estimated by N.S.S. (8th round).

has been completed only recently, have been made available to us. According to this Survey, the size and distribution of holding is as follows:—

TABLE 4

Cumulative percentage distribution of estimated number of households and of total area owned/operated by size-level of household ownership holdings

Size level	Percentage area owned		Percentage area cultivated (operated)	
	Household	Area	Household	Area
0·00	22	—	6	0
1·00	47	1	40	1
2·50	61	6	54	5
5·00	75	16	70	16
7·50	83	26	79	27
10·00	88	35	85	36
15·00	93	48	91	49
20·00	96	58	94	60
25·00	97	65	96	67
30·00	98	71	97	73
50·00	99	84	99	86
Above 50·00	100	100	100	100

The data contained in columns 2 and 3 of table 4 show glaring disparities in land ownership. 22 per cent rural families do not own any land. Another 53 per cent families who own less than 5 acres each has only 16 per cent of the total area. 24 per cent families who held between 5 and 50 acres each own 68 per cent of the area. Only one per cent families own more than 50 acres but they hold 16 per cent of the total area.

With regard to the pattern of cultivation, the data in columns 4 and 5 also show marked variations. Not less than 34 per cent families cultivate less than one acre each; 64 per cent families cultivate less than 5 acres each and 16 per cent of the total area; and 1 per cent families cultivate more than 50 acres each and hold 14 per cent of the total area.

The data collected during the Agricultural Labour Inquiry also indicate similar trends.

TABLE 5

Cumulative percentage distribution of cultivators' holdings

Size group of holdings	Percentage holdings	Percentage Area
Up to 1 acre	16·8	1·0
Up to 2·5 acre	38·1	5·6
Up to 5·0 acre	59·1	15·5
Up to 10·0 acre	78·2	33·1
Up to 25·0 acre	94·4	65·6
All holdings	100·0	100·0

The Rural Credit Survey undertaken by the Reserve Bank of India also brings out large disparities in land holdings. The data relate to all the cultivated holdings in the 600 villages selected for the survey in 75 districts. The cultivators were arranged, for the purpose, in the order of the size of their cultivated holdings. When so arranged it was found that the first 10 per cent or decile of the cultivators held more than 25 per cent of the total land surface in almost all districts and held more than 30 per cent of it in 51 of the 75 districts. The first 30 per cent or three deciles taken together held more than 50 per cent of the land in almost all districts, and in 48 districts, they held more than 60 per cent; in no district was this proportion larger than 85 but in 6 it varied between 75 and 85 per cent. The middle four deciles held between 25 and 35 per cent of the total cultivated land in the large majority of districts. The holdings of the last three deciles included less than 10 per cent of the total cultivated land in the majority of districts, but in 27 out of the 75 districts they held between 10 and 15 per cent.*

4. The other factor which affects adversely the distribution of income is the growth of non-cultivating land owners involving leasing of land to tenants. Land being limited in extent, ownership right in land gives rise, with the growth of population and lack of alternative employment opportunities, to a monopolistic situation. As a result, a large area is held on lease. According to the First Report of the National Sample Survey (8th round) 24 per cent of the area under operation of rural households is held under lease. The percentage varies from 14 to 37 per cent, in different parts of the country as given below:—

TABLE 6

Area leased as percentage of operated area

North India	14 per cent
Central India	20 ,,
South India	23 ,,
East India	25 ,,
West India	27 ,,
North-West India	37 ,,

The results of the Census of Land Holdings and Cultivation which was undertaken in the States following the recommendations contained in the

*Quoted from Prof. D.R. Gadgil's Presidential address at the fifteenth annual Conference of the Indian Society of Agricultural Economics.

First Five-Year Plan are available for some States. The area leased as percentage of the area owned for some of these States is given below:—

TABLE 7

Madras	11 per cent
Madhya Pradesh	12 "
Bombay	14 "
Pepsu	20 "
Punjab	30 "

For the purposes of the two enquiries referred to above, a tenant who has acquired permanent rights has been regarded as owner and, therefore, the area leased represents that portion of the area under tenancies in which permanent rights have not accrued to tenants. According to the Agricultural Labour Enquiry conducted in 1951, the area held by tenants has been estimated at 41.3 per cent. This, however, include tenants with permanent rights who were regarded as 'owners' in the N.S.S. (8th round) or the Census of land holdings. In a number of cases persons regarded as tenants in the Agricultural Labour Enquiry have since then come into direct relationship with the State on account of the implementation of zamindari abolition laws. A part of the decrease may also be due to ejectment of tenants.

Data regarding the number of tenants were not collected in the N.S.S. or the Census of Land Holdings and Cultivation. According to the population Census of 1951, 13 per cent of the total number of cultivators were cultivating mainly unowned lands and 67.1 per cent were cultivating land wholly or mainly owned. The category of owner-cultivators is likely to include persons who have partly owned and partly leased lands. It is likely, therefore, that the number of persons who held some land on lease may be larger than 13 per cent.

CHAPTER II

LAND POLICY IN THE FIRST FIVE-YEAR PLAN

1. The main objectives of the First Five-Year Plan were to secure an increase in production and reduction in disparities. In the land sector these objectives could be secured in the measure the actual tiller of the soil is encouraged to increase production and he gets the full benefit of the labour he puts on it. The transition to this state from the variety of system of peasant exploitation that existed in India could only be by stages. The recommendations in the Plan were made with these considerations in view. These recommendations relate to:—

(1) Abolition of Intermediaries;

(2) Tenancy reforms, *e.g.*, security of tenure to the tenants, provision of fair rents and a right of purchase for the tenants;

(3) Fixation of ceiling on land holding and the distribution of the surplus land;

(4) Improvement of the conditions of the agricultural workers; and

(5) Co-operative organisation of agriculture with the ultimate objective of cooperative village management.

ABOLITION OF INTERMEDIARIES

2. The abolition of intermediaries was in progress when the Plan was being drawn up. The Plan recommended that the process should be expedited and a high priority given to the building up of a sound revenue administration and a system of village records.

TENANCY REFORMS

3. The main recommendations in respect of tenancy reforms were as follows:—

(1) Conferment of the right of occupancy on all tenants subject to the owner's right to resume a limited area for personal cultivation.

(2) Resumption for personal cultivation should be permitted for the number of family holdings, not exceeding three, which could be cultivated by the adult workers belonging to the landlord's family with the assistance of agricultural labour to the extent customary among those who cultivate their own lands.

(3) Only such owners should get the right to resume land who cultivate land themselves, that is to say, who are *bona fide* agriculturists.

(4) The owners should exercise the right of resumption for personal cultivation within a period of five years.

(5) The tenants of the non-resumable area or areas in which the landlord fails to exercise the right of resumption within five years should get the right of purchase; the price being determined in terms of multiples of the rental value of the land and payment being made in instalments. The Government may establish direct contact with the tenants of the non-resumable area.

(6) A rate of rent exceeding one-fourth or one-fifth of the produce should be regarded as requiring special justification.

It may be mentioned here that in examining the legislative measures for tenancy reforms for various States, the Central Committee for Land Reforms and the Planning Commission have generally taken the view that owner's right of resumption should be subject to the tenant's right to retain a minimum holding.

In order to stimulate the movement of the rural population to the urban area, leasing in future may be permitted, provision being made for adequate protection for the tenants. The tenancies in future should ordinarily be for a period of five to ten years and should be renewable, resumption being permitted if the owner himself wishes to cultivate the land. All leases were to be made through the village panchayats as direct-landlord-tenant relationship was liable to several abuses.

Ceiling on Land Holdings

4. The principle that there should be an absolute limit to the amount of land which any individual may hold was accepted. This limit is to be fixed by each State, having regard to its own agrarian history. A census of land holdings and cultivation was suggested with a view to collect relevant data.

As an immediate step it was suggested that land management legislation should be undertaken by the States. Large farms directly managed by the owners should be divided into two groups, namely,

(1) those which are so efficiently managed that their break-up would lead to a fall in production; and

(2) which do not meet this test.

The farms falling in the latter category should be taken over for purposes of management either in their entirety or such portion thereof as might be in excess of a limit to be prescribed. The lands brought under State management could be given for cultivation to agricultural workers preferably in cooperative groups.

AGRICULTURAL WORKERS

5. In addition to surplus lands coming under State management, it was further recommended that plots of newly reclaimed lands and culturable lands should be set apart, wherever possible, for the settlement on cooperative lines of groups of landless agricultural workers. Full support and assistance is also to be given to the Bhoodan Movement by providing means of cultivation and other assistance to agricultural workers selected for the allotment of the gifted lands. Provision for house-sites and of small backyards for kitchen-gardening should receive special emphasis.

COOPERATIVE VILLAGE MANAGEMENT

6. Cooperative village management has been defined as the ultimate goal towards which the country is to work. The concept of cooperative village management outlined in the Plan makes due allowance for the rights of ownership as determined by the land reforms legislation of a State. Even so, the village community is visualised to play an important role in the management of the entire area of the village, both cultivated and un-cultivated. The actual cultivation could be arranged as might be feasible, in family holdings, through small groups working blocks of land in the village on cooperative lines or through a combination of arrangements adapted to the operations to be carried out. The village community will discover the arrangements which serve them best according to their needs and experience. There has to be a great deal of trial and experiment before patterns of organisation which will best promote the interests of the rural population can be evolved.

As the first step towards the goal of the cooperative village management, promotion of cooperative farming and a wide role for the panchayats in the field of land reforms have been suggested. Some of the functions which the Panchayats are to perform are as follows:—

(1) ensuring maintenance of a correct record-of-rights;

(2) securing lands for the tenants who may be displaced as a result of resumption of land for personal cultivation by owners;

(3) selection of persons for allotment of lands acquired from substantial owners on the application of ceiling; and

(4) management and cultivation of village waste lands.

7. The First Five-Year Plan having been considered and approved by the National Development Council (of which the Chief Ministers of all the State Governments are members) and the National Parliament, became India's National Policy. The State Governments were accordingly requested by the Government of India to implement the Land Policy laid down in the First Five-Year Plan. The Central Committee for Land Reforms which was constituted following the recommendations contained in the

First Five-Year Plan has subsequently examined the legislative proposals of many States. On the suggestion of Central Committee the gaps in the law obtaining in each State were brought out and detailed suggestions were made to the States by the Planning Commission. The Planning Commission have also asked the State Governments to draw up phased programmes for implementing the land policy.

CHAPTER III

ABOLITION OF INTERMEDIARIES

There are two main land systems under which land is held in India, namely, the intermediary estates and the raiyatwari holdings. The intermediary estate system prevailed in about half the country. In its ordinary meaning the term 'intermediary' implies any person who intervenes between the cultivator and the State. In the context of land reforms in India, the expression is, however, understood in a somewhat narrower sense and indicates the holder of certain recognised proprietary and semi-proprietary tenures generally of a feudal nature, which have their origin in the early settlements of land under British rule. The conferment of proprietary rights upon the intermediaries enabled them to break down the customary, permanent and heritable rights enjoyed by tenants and to reduce them to the position of rack-rented tenants-at-will. Subsequently, as agrarian discontent increased, the reverse process started and rights were gradually conferred on the tenants by successive legislative enactments so that by 1947 the bulk of the tenants of intermediaries had acquired permanent and heritable rights and in many cases the right of transfer as well. Their rents were also regulated. As a result of the rise in agricultural prices since the Second World War began, the rents payable by tenants to the intermediaries represented comparatively a small fraction of the gross produce. There were, however, large exceptions to this general picture particularly in the princely states, where feudal conditions survived more or less unchanged right up to 1947 and a large body of tenants remained liable to ejectment at will and paid extortionate rents.

2. A distinction has been made generally throughout the intermediary areas between the home-farm lands of the intermediaries and other lands held by cultivators. The tenants of the home-farm land generally remain tenants-at-will. In addition, considerable areas came to be leased out by the cultivators (tenants-in-chief) to sub-tenants and crop-shares; and only a few of them acquired security of tenure; and their rents are generally oppressive.

3. In the raiyatwari areas the lands were settled originally with the actual cultivators. Under economic pressures, however, a considerable area came to be transferred to the hands of rent-receivers who get them cultivated by tenants. A new class of intermediaries has thus developed in the raiyatwari areas where tenancy problem of considerable magnitude now obtains.

4. During the 19th century and in the first four decades of the 20th century the main emphasis in the field of land reforms was on re-establishing the rights of the cultivators who had been relegated to the position of tenant-at-will as a result of the imposition of intermediaries. It was only

in the post independence era that the abolition of intermediaries was decided upon as a national programme.

5. Legislative action for the abolition of the intermediary system was begun before 1951, but most of the work has been carried out during the First Five-Year Plan period.

6. Legislation for the abolition of intermediaries has been enacted in most States. In respect of the following areas and tenures legislation has not yet been enacted :

Andhra	In respect of post-1936 inams estates and inams which are not estates.
Assam	In respect of temporarily settled areas.
Bombay	In respect of charitable and religious inams and service inams useful to Government.
Madras	In respect of Jenmi tenure in Malabar, inam villages which became estates by virtue of Madras Estates Lands (Third Amendment) Act, 1936 and inams which are not estates.
U.P. ..	In respect of Kumaon Division.
Hyderabad ..	In respect of service inams useful to Govt. or the community and religious and charitable inams.
Madhya Bharat ..	In respect of inam and muafi lands.
Mysore	In respect of village service inams.
Rajasthan	In respect of zamindaris.
Travancore-Cochin ..	(Legislation for the abolition of Edavagai Estates has been enacted, but legislation for the other intermediary tenures is pending).
Kutch	A draft Bill has been prepared.

The implementation of the legislation was delayed in many States due to long drawn litigation by the intermediaries. The legislation has now been fully implemented except in the following States:

Assam	Zamindaris covering an area of not more than 2.37 lakh acres have so far been resumed.
Orissa	All zamindaris except a few kharpos zamindaris have been abolished. Some intermediate tenures have not, however, been abolished yet.

Rajasthan	3,800 Jagirs with an estimated annual income of Rs. 1.4 crores (as against 4.0 crores estimated for all Jagirs), have been resumed.
Mysore	Legislation enacted in 1955, has, it appears, not yet been implemented.
Ajmer	Legislation was enacted late in 1955. Implementation has not yet been reported.
Himachal Pradesh ..	Legislation was enacted last year but not implemented. Rules are being framed.

7. The significance of the change in the social and economic structure brought about by the abolition of intermediaries may be examined with reference to the various categories of lands that were owned by the intermediaries, namely,

(*i*) Village common lands, forests, abadi sites etc.;

(*ii*) Intermediary's home-farms, *i.e.*, lands in which the intermediary had the right to either cultivate himself or to let it to tenants who could not, however, acquire any rights in the land;

(*iii*) Land other than the intermediary's home-farm, which was under his personal cultivation;

(*iv*) Lands held by tenants directly from the intermediaries; and

(*v*) Lands held by sub-tenants.

Common Lands

8. Village common lands—waste lands, forests etc. were acquired in all cases by the State so that they may be managed in the interest of the community as a whole. It follows as a consequence that tenants admitted to cultivate waste lands in future would hold the land directly under the State, in most cases with security of tenures.

Certain categories of non-agricultural lands, homesteads and buildings and in some cases tank-fisheries and limited areas of pasture lands were, however, retained by intermediaries.

Home Farms

9. In most of the States, the intermediaries were allowed to retain their home-farms and lands under their personal cultivation and the tenants of their home-farms were not given any rights. There are, however, some variations from this general picture.

In a few States, namely, U.P., Madhya Bharat (in jagirdari areas) and Delhi, the tenants of the intermediaries' home-farms were generally brought into direct contact with the State and the rights of intermediaries were extinguished on payment of compensation.

In zamindari areas of Madhya Bharat the tenants of home-farm lands get the option to purchase ownership rights on payment of compensation. The right was to be exercised within a specified period.

In Rajasthan, an optional right of purchase has been given for an area yielding a net income of Rs. 1,200 excluding the cost of the tenant's labour and the labour of his family. The tenants were liable to ejectment from any land held by them above the minimum area. This right was further subject to the condition that the tenants would be liable to ejectment, in cases where the land had been cultivated personally by the landholder for five years continuously preceding the year 1948-49 (subject to a maximum area of 90 acres of unirrigated or 30 acres of irrigated land including the area already held under personal cultivation).

In Ajmer, ownership (bhumiswami) rights accrued to all tenants except the tenants on lands allotted to intermediaries for personal cultivation.

In Bhopal, a tenant of home-farm in possession of land for more than one year became an 'occupant' (with heritable and transferable rights).

In Uttar Pradesh, Madhya Bharat (jagirdari areas), Ajmer and Bhopal, the tenants were not themselves required to make any payments. The State undertook to finance the compensation out of its increased revenues.

In Delhi, the tenants of home-farms were required to pay 20 to 40 times the land revenue.

In Rajasthan, they were required to pay compensation at rates given in the annexure.

In the other States, the position of the tenants of the intermediary's home-farms remained unchanged.

10. In most of the States, no maximum limit was placed upon the agricultural lands, which the intermediaries were entitled to retain after abolition. In the following States, however, a maximum limit was imposed:—

West Bengal ..	25 acres.
Assam	133-1/3 acres for proprietors and 50 acres for tenure holders (inferior intermediaries).
Hyderabad	In respect of lands held by inamdars at $4\frac{1}{2}$ family holdings (a family holding varies from 4 to 60 acres according to the class of soil).
Ajmer	50 standard acres.

11. In most of the States, no provision was made for allotment of any land for personal cultivation to the intermediaries in addition to their home farms and lands under their personal cultivation. In the following States, however, additional land was allotted to intermediaries.

Hyderabad: An Inamdar shall be allotted land up to 3 family holdings (together with the land already in his personal cultivation). The allotment shall be made out of

(*i*) other non-inam lands;
(*ii*) uncultivated inam land; and
(*iii*) land held by tenants. The allotment from tenanted lands shall be made firstly from lands held by ordinary tenants; then from protected tenants (tenants with 6 years possession) and lastly from the lands of permanent tenants.

The Inamdar is required to pay a premium for the land of which he becomes occupant at 25 times the difference between the *quit rent* and the full land revenue.

Mysore: The Inamdars retain the entire areas held by them under their personal cultivation and the lands held by their ordinary tenants. If the land so retained by the inamdars is less than 2½ acres of garden land or 5 acres of wet land or 10 acres of dry land, he is entitled to resume the land from quasi-permanent tenants (tenants with 6 years possession) so as to make up his holding up to the above limit.

Rajasthan: The areas to be allotted varied according to the size of the intermediary's estate, from 50 per cent of the area (where the intermediary owned land not exceeding 60 acres) to 5 per cent of the area (where the intermediary owned land exceeding 1,000 acres)—on a slab system—subject to a maximum limit of 500 acres. This is to be inclusive of lands already held as *khudkasht* (whether under personal cultivation or leased) as well as other lands which were under their personal cultivation continuously for 5 years prior to 1948-49 and had been leased subsequently.

Saurashtra: In respect of a class of intermediaries called girasdars allotments of land were to be made up to a limit varying from one economic holding to 3 economic holdings (including the land already under their personal cultivation). The economic holding varies from 20 to 40 acres. The allotment was made first from pasture lands or cultivable waste, if the girasdar wished to utilise it for his personal cultivation, otherwise from tenants' holdings. In the allotment of tenant's land to a girasdar, provision was made for leaving at least half the area with the tenant. Out of a total of 16.9 lakh acres held by tenants about 2.37 lakh acres were given to the girasdars. The average holding of a girasdar comes to something like 36 acres while the average holding of tenant is about 26 acres.

In case of the other class of intermediaries, namely, barkhalidars, provision was made for allotment of half to one economic holding to small barkhalidars who owned lands not exceeding 2 economic holdings. Provision was also made for leaving a minimum area of half an economic holding with the tenant. Under this arrangement about 37,000 acres have been allotted

to barkhalidars. The average area held by a barkhalidar after abolition is about 10 acres and the average area held by a tenant is about 18 acres.

Ajmer: An intermediary was allotted all *khudkasht* land (up to 50 standard acres) which he was cultivating personally in the previous agricultural year. If the land so allotted was less than 8 standard acres, he was allotted land to make up the holding up to 8 standard acres. The land was allotted out of *khudkasht* held by a tenant with less than 3 years possession and any available culturable land in a village included in the estate or elsewhere. The land so allotted was not to exceed the area of cultivated land in the estate. If the land was not cultivated personally within 3 years of its allotment, or ceased to be so cultivated at any time thereafter, it shall revert to the State Government.

Bhopal: A jagirdar was allotted all *khudkasht* land which he was cultivating personally continuously for 5 years before the resumption of jagirs and also such other land which he reclaimed from waste land during 3 years before 1952 and was under his personal cultivation at the date of resumption.

If the *khudkasht* so allotted was less than the minimum area (minimum area varies between 15 to 50 acres according to the cultivated area of the jagir), the jagirdar was allotted land for personal cultivation out of the available culturable land in the jagir or elsewhere up to the extent of the minimum area. If the land so allotted was not cultivated *personally by the jagirdar within* 3 *years of the date of allotment,* or ceased to be personally cultivated by him at any time thereafter, the land reverts to the State Government.

Vindhya Pradesh : A jagirdar was allotted all *sir* and *khudkasht* land which he was cultivating personally continuously for 3 years before resumption. However, if the land so allotted was less than the minimum area (a minimum area varies between 30 to 250 acres according to the cultivated area of the jagir) the jagirdar was allotted other *sir* or *khudkasht* land which was under his personal cultivation at the time of resumption up to the minimum area. If the total land so allotted was less than the minimum area, he was allotted any unoccupied cultivable waste land in the jagir, to make up the holding up to the minimum area.

Principal Tenants

12. In most of the States, the tenants-in-chief holding land directly from the intermediary were brought into direct contact with the State and the rights of the intermediary in their lands were acquired by the State. There are, however, some exceptions to this:—

Bombay: In the majority of the abolition Acts only special categories of tenants such as inferior holders and permanent were brought into direct contact. The other occupied lands held by intermediaries were settled with them as the 'occupants' (with heritable and transferable rights) and tenants were allowed to hold subordinate rights under them. Only the common

lands were acquired by the State. In so far as the tenants are concerned' they continued to hold the land under the old intermediaries but their rights were regulated by the Tenancy Act. In a few cases, however, all tenants were brought into direct contact. Such tenants as came into direct contact with the State, became full owners and were required to pay generally three to six times the assessment as compensation. The compensation was recoverable as arrears of land revenue.

Hyderabad: In the case of Inams, Kabiz-e-Kadim tenants (tenants in possession since the commencement of the inam or who have been in possession for not less than 12 years and pay assessment only) were made occupants. Other tenants, *i.e.*, permanent tenants (tenants holding since 10th June, 1950) protected tenants, and non-protected tenants were to be made occupants subject to the landlord's right to resume 3 family holdings.

Mysore: In the case of personal and miscellaneous inams certain categories of tenants, namely, Kadim tenants and permanent tenants were made occupants (with permanent, heritable and transferable rights). In respect of other tenants those who had been in continuous possession for 6 years before 1948 were to be made occupants subject to the landlord's right to resume 2½ acres of garden land or 5 acres of wet land or 10 acres of dry land. These tenants were to continue to hold land under the former intermediary who become occupants. In respect of minor inams, (*i.e.*, Inams for an area less than a village) only *kadim* tenants and permanent tenants were to be registered as occupants. Other tenants were to continue to hold the land under the former intermediaries.

Saurashtra: As stated earlier, in some cases tenanted lands were also allotted to landlords for personal cultivation. In respect of the remaining area the tenants were conferred permanent and heritable rights. In *Barkhali* area, they also came into direct relationship with the State without any payment. In *Girasdari* area, however, they were given an optional right of purchase and pending purchase, they were to hold land under the *girasdars*. The State supplied finance through land mortgage bank with the result that the bulk of the tenants made payments and became owners.

13. In other areas, all principal tenants have come into direct relation with the State. In the majority of cases they possessed permanent rights and in a number of cases they had also transferable rights. There were some categories of tenants who did not have permanent or transferable rights.

In the following States, generally the tenants possessed permanent and transferable rights.

Assam,
West Bengal,
Bihar,
Orissa,
Bhopal,
Vindhya Pradesh.

In the following States many tenants did not possess full transferable rights. They were enabled to acquire these rights on certain payments:—

U.P.: The rights of the tenants remained generally unchanged except that a tenant who did not possess the rights of transfer could purchase this right on payment of 10 times the rent in which case he became a *bhumidar* with the right of transfer and his rent was reduced by half.

Madhya Pradesh: Bhumidaris were required to pay three times the land revenue in order to acquire full transferable rights.

Hyderabad: In inam areas the following classes of tenants were required to pay compensation at the rate as under:—

Class of tenant	Multiples of land revenue	
	For dry land	For wet land
Kabiz-e-Kadim tenant	Nil	Nil
Permanent tenant	25	9
Protected tenant	40	13
Non-protected tenant	60	20

The payment was recoverable in 10 annual instalments, and, in case of default, the instalments were recoverable as arrears of land revenue.

Mysore: *Kadim* tenants were not required to make any payment; permanent tenants were required to pay 20 times the land revenue and quasi-permanent tenants (with 6 years possession) were required to pay a multiple of land revenue varying from 15 to 50 times or basic value varying from Rs. 5 to Rs. 500 per acre, whichever is greater. The amount was payable in 10 annual instalments and in cases of default recoverable as land revenue.

Delhi: The principal tenants were required to pay from 4 to 32 times the land revenue in order to become *bhumidhars* (with permanent, heritable and transferable rights). The payment could be in 10 annual instalments recoverable as arrears of land revenue.

In the following areas, superior rights were conferred upon tenants without any payment, namely,

Andhra	Rajasthan.
Madras	Saurashtra (Barkhali area)
	Madhya Bharat,
	Hyderabad (jagir areas),
	Ajmer.

SUB-TENANTS

14. The measures adopted for conferment of security of tenure upon sub-tenants, or for enabling them to come into direct contact with the State are described in a succeeding Chapter.

COMPENSATION

15. The total amount of compensation payable by the State Govt. for abolition of intermediary rights has been estimated at Rs. 435 crores (exclusive of interest charges) as per details given in the annexure. Uttar Pradesh and Bihar carry the highest liability and their combined share comes to nearly 70 per cent of the total amount (Bihar about Rs. 160 crores and U.P. about Rs. 150 crores).

The quantum of compensation has been fixed in each State according to its own local conditions, the nature of the intermediary tenure concerned and the States' financial resources and consequently there are considerable variations. As stated earlier, in many States the tenants on coming into direct relationship with the State will continue to pay to Government land revenue at the rates of rent payable by them to the intermediaries. There will, thus, be considerable increase in States' revenues. In Bihar, the land revenue is estimated to increase from Rs. 1 crore to Rs. 16 crores and in U.P. from Rs. 7.8 crores to Rs. 19.5 crores annually. There will, however, be some losses in revenues on other accounts such as decreased return from agricultural income tax or from stamp duty etc. There will also be increases in administrative charges, such as the cost of land revenue collection agency, additional staff for revenue administration and maintenance of village records, staff for determination of compensation. The detailed estimates for some of the States are outlined in the annexure. The compensation will be financed out of the net increase in revenues accruing to the State.

Generally, the compensation has been determined as a multiple of the net income of the intermediary from his entire estate. In some States as for instance Bombay and Saurashtra the compensation is payable separately for the common lands and for occupied area. In most of the States the compensation (adding to it the rehabilitation grant where separate provision has been made for such grants) has been fixed at graded rates which are higher for the smaller intermediaries and lower for the big intermediaries. The rates adopted in various States are outlined in the annexure. The following statement shows the range of variations in some of the States:—

Assam ..	15 times the net income (for the lowest category where the net income of the intermediary does not exceed Rs. 1,000) to two times the net income (for the highest category with net income exceeding Rs. 3 lakhs).
Bihar ..	20 times the net income (for the lowest category with net income not exceeding Rs. 500) to 3 times the net income (for the highest category with net income exceeding Rs. 1 lakh).

U.P. (taking compensation and rehabilitation grant together).	28 times the net income (for the lowest category paying land revenue up to Rs. 25) to 8 times the net income (for the highest category paying over Rs. 10,000 as land revenue).
Orissa	On a slab system, 15 times the net income (for an estate with net income not exceeding Rs. 500) to 3 times the net income (for net incomes exceeding Rs. 40,000).

In respect of religious and charitable institutions, the compensation usually takes the shape of a perpetual annuity equal to their net income from their estates.

The compensation is payable either in cash (in lump sum or in instalments) or in bonds. These bonds are generally transferable and negotiable. They are redeemable over periods varying from 10 to 40 years. The details vary from State to State as per details given in the annexure. In U.P. bonds have already been issued for a part of the compensation. Part payments in cash have been made in Andhra, Madhya Pradesh, Madras, Hyderabad and Madhya Bharat. Considerable work for the determination and payment of compensation still remains to be done.

ADMINISTRATIVE TASKS

16. The abolition of intermediaries imposes a very heavy administrative burden on the State Governments as it requires the performance of a number of difficult and complicated tasks. These relate to:—

(1) assessment and payment of compensation;

(2) establishment of a machinery for collecting land revenue from the former tenants (whose number runs into millions) who have come into direct relation with the State;

(3) setting up of agency for the maintenance of up-to-date land records;

(4) cadastral survey in unsurveyed areas and the preparation of new record-of-rights;

(5) arrangements for the management of common lands etc., which become vested in the State; and

(6) demarcation of the areas to be allotted to intermediaries and tenants wherever necessary.

In some areas as in case of jagirs, intermediaries performed some other administrative and judicial functions also which had to be taken over by the State and necessary agency created for dealing with them.

In the temporarily settled areas, revenue administrative machinery was generally available throughout the area prior to abolition of intermediaries. It had only to be strengthened to cope with the increased burdens. It was,

therefore, possible to abolish intermediaries in these areas quite expeditiously by enforcing the legislation throughout the State. In the permanently settled areas and in areas under jagirs where generally no revenue administration obtained, in the field and where over large areas cadastral surveys had either not been done or had been done many decades ago, the task was far more formidable and the abolition of intermediaries was consequently delayed. Considerable work in this connection has since been done in most States. In Bihar, where the State has been divided into 597 *anchals* and each *anchal* into 10 *halkas*, 5,970 *karamcharis* (*halka* incharge), 597 revenue inspectors and 597 *anchal adhikaris* were required. They have since been recruited, trained and posted practically in full strength. We are informed that in Orissa and West Bengal these tasks have almost been completed, but action in Assam is rather slow which is holding up the abolition of intermediaries. In Madhya Bharat, the revenue administrative machinery obtaining in the raiyatwari area has been extended to the zamindari and jagirdari areas. In Rajasthan and Saurashtra, revenue administration has been created and summary survey and settlement operations conducted almost throughout the State.

CHAPTER IV

PROGRESS OF TENANCY REFORMS

1. We have mentioned earlier that the tenants holding land under intermediaries had, in many cases, sublet their land and thus created sub-tenancies. In some of the intermediary areas, such as U.P. and Madhya Pradesh, the tenant's right of transfer and the right to sublet was restricted and, therefore, large-scale sub-tenancies did not obtain. In other intermediary areas like West Bengal and Bihar as well as in the raiyatwari areas, the raiyats had almost an un-restricted right of transfer and subletting. Due to a number of causes, such as lack of price policy, lack of institutional finance in the rural areas and the inflexible system of taxation etc., lands tended to accumulate in the hands of rent-receiving interests and tenancy problem on a considerable scale became prevalent.

2. We had also mentioned in the beginning that the intermediaries enjoyed more or less absolute rights and the cultivators were reduced to the status of tenants-at-will. In due course of time, as the conditions stabilised, rights of permanent and heritable possession and in many cases also the rights of transfer, were conferred upon the tenants of the intermediaries. Till recently, the legislative activity in the field of land reforms was thus directed mainly at protecting the rights of the tenants holding land under intermediaries. Even there a distinction was made between the tenants who cultivated home-farm lands of the intermediaries and other tenants who cultivated *raiyati* lands. Generally, the home-farm lands were kept out of the purview of the tenancy legislation and, therefore, rights did not accrue to the tenants of the home-farm lands. Similarly, the sub-tenants holding lands from raiyats remained generally unprotected. On the abolition of intermediaries, the tenants of home-farm lands and the sub-tenants generally remained unaffected. In the raiyatwari areas, legislation for tenancy reform is of comparatively recent growth. Bombay gave a lead in the matter by enacting the first legislation for tenancy reforms in 1939. A number of other States with raiyatwari settlements have enacted legislation for the reform of tenancies since the attainment of Independence.

3. We may also mention here that the term 'tenant' is variously defined in different States. Whereas in some States like Bombay no distinction is made between share-croppers and tenants paying fixed produce rent or cash rent, in others like West Bengal, Assam and Travancore-Cochin crop-sharers are not treated as tenants. Further, by custom or practice, persons employed as partners (*sajhis*) by the landholders on terms of payment of a share of the produce, are not treated as tenants in a large number of States and no tenancy rights accrue to them.

4. Tenancy reform concerns generally the following classes of tenants :

(1) tenants of home-farm lands in the intermediary areas;

(2) sub-tenants in the intermediary areas;

(3) tenants holding lands from raiyats in the raiyatwari areas; and

(4) share-croppers who are in some areas not included in the definition of the term 'tenant' though they have all the characteristic features of a tenant.

The question of conferment of rights on these classes of tenants has been discussed in the Chapter on Land Policy in the First Five-Year Plan, wherein the Planning Commission has made recommendations relating to—

(*i*) security of tenure for the tenants;

(*ii*) a right of purchase for the tenants; and

(*iii*) regulation of rents.

The Plan does not make any distinction between the *crop-sharers* and the tenants paying fixed produce or cash rent. It has been generally the practice to confer security of tenure on tenants and sub-tenants who have been in possession of land for considerable periods. For instance, in West Bengal and Bihar, occupancy rights are conferred on under-raiyats who have been in possession of land for a continuous period of 12 years. In Bombay and Hyderabad, the protected tenancy rights were given to tenants in possession of land for six years. This distinction has been removed in the recent amendment Bill of Bombay. The recommendations in the Plan for conferment of security of tenure apply to all tenants irrespective of the period of possession.

5. The following paras contain a brief account of the main features of the action taken in various States with regard to conferment of rights in the four categories mentioned in para 4 above.

SECURITY OF TENURE

6. The Plan recommends security of tenure for tenants subject to the landlord's right to resume a limited area for personal cultivation. The right of resumption is the core of the problem of security of tenure. To the extent that the landlord has the right to resume land for personal cultivation, the tenants are liable to ejectment. The Planning Commission and the Central Committee for Land Reforms, in examining the legislative proposals of the States, have, therefore, generally advised that a provision should be made that the tenants are not rendered landless as a result of the landlord's right of resumption. This suggestion has been implemented in three different ways, namely:

(*i*) tenants are given the right to retain a minimum holding and the landlords are to resume the land held by tenants in excess of the minimum holding;

(*ii*) the landholder may resume only a portion of the land leased to tenants; and

(*iii*) the landholder may resume land only when the Government has provided some alternative land to the tenant.

7. There has been a good deal of legislative activity during the Plan period for the conferment of rights on the tenants. The provisions take four different forms, namely:

(*i*) the landlord is not allowed to resume any land by ejecting tenants and all the tenants holding land on a particular date get permanent and heritable rights;

(*ii*) the tenant gets the right to retain a minimum holding or a portion of the holding held on lease or obtain alternative area from the Government before he is ejected. In either case an upper limit is fixed on the extent of land which a landholder may thus resume from his tenants;

(*iii*) although an upper limit on the resumable area is imposed, there is no right for the tenant to retain or obtain a minimum holding or a portion of holdings; and

(*iv*) there is no upper limit and the landholder has the right to eject the tenants-at-will or resume the entire area for personal cultivation.

ALL TENANTS GET PERMANENT RIGHTS

8. Uttar Pradesh and Delhi are the two States which fall in the first category and the tenants in these States have got the best deal.

Uttar Pradesh: In Uttar Pradesh which has had a long tradition for action in this field, under the Zamindari Abolition and Land Reforms Act, security of tenure has been conferred on all tenants and sub-tenants (with the exception of those who hold from persons suffering from a disability) and they have been brought into direct relationship with the State. The State is to recover rent from tenants and sub-tenants. The compensation is being paid in bonds which will be redeemed in instalments, payments being made out of the increased revenues of the State.

The law prohibits all leases in future, exemptions being made in favour of those who are suffering from a disability such as women, minors, persons serving in the Armed Forces, etc.

The law, however, permits '*Sajhedari*'. The expression '*Sajhedari*' has been defined as an arrangement whereby a person is entitled to a right merely to share in the produce grown on the land in consideration of such person assisting or participating with the landholder in the actual performance of agricultural operations. A person who thus assists a landholder in the cultivation of land is not considered a tenant and he does not get any rights in the land.

In the Kumaon division, however, the Zamindari Abolition and Land Reforms Act does not apply.

Delhi: The Delhi Land Reforms Act, 1953 provides for conferment of ownership on all tenants and sub-tenants with the exception of those who hold land from persons suffering from a disability. The compensation has to be fixed at rates varying from 4 to 40 times the land revenue and will be recoverable from the tenants and the sub-tenants generally in instalments spread over a period of 10 years.

In Delhi, small owners who hold an area of less than 8 st. acres are permitted to lease their lands in future; the others can lease lands only if they are suffering from a disability. The tenants who may thus be admitted will hold land for a minimum term of five years.

TENANTS TO RETAIN MINIMUM AREA

9. In the following States, the tenants are entitled to retain a minimum holding or a portion of the holding taken on lease:

Bombay,
Punjab,
Rajasthan,
Himachal Pradesh.

Bombay: Under the Bombay Tenancy (Amendment) Bill recently passed by State Legislature, an owner may resume land up to a maximum of three economic holdings (including the area under his personal cultivation) subject to the condition that the tenant will be entitled to retain half his land. An economic holding is to consist of 4 acres of irrigated land, 8 acres of well-irrigated land and paddy land or 16 acres of dry land. The landlord's right to resume is operative only in case where the income by the cultivation of land is the principal source of income for the maintenance of the landholder and his family.

The tenant retains the non-resumable area subject to a maximum of three economic holdings. He has also the right to purchase landlord's interest provided the landlord owns more than one economic holding and has an annual income exceeding Rs. 1,500. If he fails to exercise the right of purchase on or before April 1, 1957, he becomes liable to ejectment.

The tenants to be admitted in future will have the same rights including the right of purchase.

(NOTE: It has been mentioned in an earlier Chapter that in Bombay the tenants-in-chief holding from intermediaries were not in many cases brought into direct contact with the State and remained tenants under the former intermediaries whose tenure was converted into 'occupants'. The tenancy law governs the tenants-in-chief of intermediaries also).

Punjab: In the Punjab, the owners are permitted to resume an area up to 30 standard acres (50 standard acres in case of displaced owners). A tenant cannot be ejected from a minimum area of 5 standard acres unless he is allotted alternative land by the State Government. In order to obtain land for allotment to ejected tenants, provision has been made in the law for declaring surplus, the lands held by an owner under personal cultivation exceeding 30 standard acres (50 standard acres in case of displaced owners). The surplus area will be at the disposal of the State Government for being allotted to ejected tenants or those who may be ejected.

Rajasthan: In Rajasthan, the tenants of intermediary's home-farm and sub-tenants are entitled to retain a minimum holding with a net annual income of Rs. 1,200 (exclusive of the cost of labour of the tenant or sub-tenant and his family) in which they have been given permanent and heritable rights. The landholder can resume the entire area in excess of the minimum holding. Where, however, any land was under the personal cultivation of the landholder continuously for five years prior to 1948-49, the land holder has a right to eject the tenants from such lands to resume an area up to 30 acres of irrigated land or 90 acres of unirrigated land including land already held under personal cultivation. There is no provision for a minimum holding being left with tenants in such cases.

Himachal Pradesh: In Himachal Pradesh, every tenant is entitled to retain at least three-fourths of the area leased. The landlord may resume the remaining one-fourth subject to a maximum of five acres.

Upper limit on right of resumption

10. In the following States, a limit has been imposed on the extent of land which a landholder may resume from tenants but there is no provision that tenants shall retain a minimum holding or a portion of the holding.

Assam,
Berar (Madhya Pradesh),
Hyderabad,
Orissa,
Pepsu, and
Kutch.

Assam: In Assam, the Adhiars Protection and Regulation Act, 1948 has recently been amended. This Act regulates the rights of Adhiars, *i.e.*, persons cultivating land on payment of a share or a quantity of produce but not recognised as tenants or sub-tenants, as the case may be. The landlords' right to resume land from an adhiar is subject to the following conditions:

(1) If the landholder holds 10 acres or less, he can resume the entire area;

(2) If the landholder holds more than 10 acres, he can resume 10 acres or two-thirds of the area owned, whichever is more, subject to a maximum of 33⅓ acres.

There is, thus, no provision for a minimum holding for the adhiars who cultivate lands of landholders owning less than 10 acres.

With regard to tenants other than adhiars, the law varies in different parts of the State. Under-raiyats have generally no security of tenure, except in some cases where they hold the land for specified period.

Berar (*Madhya Pradesh*): In Berar, the Regulation of Agricultural Leases Act, was enacted in 1951. It was amended in 1953. Under the Act, all lessees are given the status of protected lessees in an area not exceeding 50 acres. A protected lessee has a minimum term of 5 years renewable on application. He is, however, liable to ejectment if the landholder wants to resume land for personal cultivation up to an area of 50 acres. There is no provision for a minimum holding being left with the lessee.

Hyderabad: In Hyderabad, a distinction is made between ordinary tenants and protected tenants. Generally a protected tenant is one who has held land continuously for six years at given periods of time before the commencement of the Tenancy and Agricultural Lands Act, 1950. The Act of 1950 provides a limit on the extent of land which a landholder may resume from protected tenants. There was no provision for a minimum holding or a portion of the holding to be left with the tenants. The law was amended in 1954 and the following restrictions were imposed on the landholder's right to resume land from protected tenants:

(1) The maximum area a landholder may resume is 3 family holdings. This is subject to the protected tenants' right to retain an area of one basic holding.

(2) If, as a result of the above restriction (regarding tenant's right to retain a basic holding) the landholder cannot resume 3 family holdings, he may resume half the area leased.

(3) A landholder who owns a basic holding or less may resume the entire area.

NOTE: (A family holding may consist of 4 to 60 acres depending upon the class of soil. A basic holding is one-third of a family holding. In addition, a landholder may resume the entire area from ordinary tenants).

The law permits future leases by landholders owing less than 3 family holdings. Such leases are to be for a minimum period of five years and are renewable.

Orissa: The ejectment of tenants of owners of 33 acres or more had been stayed under the Tenants Protection Act, 1948. The Tenants Relief Act, 1955 provides for the stay of ejectment of all tenants subject to the owner's right to resume an area up to 7 acres of wet land or 14 acres of dry land for personal cultivation. In recommending the Bill for the President's assent, the Government of India had stipulated a condition that

the Act will be further amended to provide that the landlord's right to resume land will be further subject to the condition that each tenant may retain up to 5 standard acres. This recommendation has not yet been given effect to.

Pepsu: Legislation was enacted in 1953 after prolonged consultations with the Government of India. Under the Act, landowner who holds 10 standard acres or less is entitled to resume all the area from his tenants. If he holds more than 10 standard acres, he is entitled to resume half the area owned subject to a minimum of 10 standard acres and a maximum of 30 standard acres. There is no provision for tenants of owners of 10 standard acres retaining a minimum holding or a portion of the holding.

On the advice of the Central Committee for Land Reforms, the owner's right to eject a tenant has been kept in abeyance temporarily pending further examination of the PEPSU Legislation.

Although letting in future is not prohibited, once a landholder lets his land (after six months of the commencement of the Act of 1953), he will not have the right to resume.

Kutch: The Bombay Tenancy and Agricultural Lands Act, 1948, has been extended to Kutch but not the subsequent amendments. As in Bombay, there are protected tenants as well as ordinary tenants. The protected tenants can be ejected if the landholder desires to resume land for personal cultivation up to a limit of 50 acres. Ordinary tenants hold land for a minimum period of 10 years. There is, however, no limit on the extent of land which a landlord may resume from an ordinary tenant.

The Kutch Government have agreed to extend the Amendments made in the Bombay Act subsequently. The position in other States is briefly summarised below:—

Andhra: The tenancies in raiyatwari areas and sub-tenancies in intermediary areas are not regulated by law. These tenants and sub-tenants are, thus, tenants-at-will. The tenants of minor inams are also tenants-at-will.

We discussed the question of land reforms and protection to tenants pending the formulation of a comprehensive policy with the Andhra Government during our tours. We were informed that the Andhra Government had set up a committee to review the whole problem of land reforms and would take decisions when the report of the Committee is available.

Bihar: In Bihar, sub-tenancies are still regulated under the Act of 1885. Under the Act, an under-raiyat who has held land continuously for 12 years gets the right of occupancy. An under-raiyat who has held land for less than 12 years is liable to ejectment on the expiry of the period of lease, if he holds lands under a written lease. An under-raiyat holding

land on an oral lease was not liable to ejectment except for non-payment of rent or improper use of land. The intention of the law, it appears, was to discourage oral leases. In actual practice, however, oral leases continued and their ejectment was also freely resorted to. During the survey and settlement operations recently undertaken by the State Government, under-raiyats holding land on oral leases tried to assert their rights and large-scale ejectment consequently followed which created a serious situation.

The Bihar Government recently introduced a Bill to provide for restoration of under-raiyats ejected since 1953 on application or by the collector *suo motto*.

No other legislation for tenancy reforms has recently been enacted. The Bihar Government, however, contemplates to bring up a comprehensive measure of land reform shortly.

Madhya Pradesh: The position in Berar has been described above. For other parts of Madhya Pradesh, the Land Revenue Code provides for accrual of occupancy rights to tenants on lands which have been habitually sublet, *i.e.*, land which is sublet for three years in any consecutive period of five years. In other cases the tenants hold land from year to year.

Madras: In district Tanjore, the ejectment of tenants holding lands from persons owning 6-2/3 acres or more of wet land or 20 acres of dry lands, has been temporarily stayed for a period of five years. Tenants of small owners are not protected.

In South Kanara also the ejectment of tenants has been stayed.

In Malabar, where jenmi tenure obtains, the tenancies are regulated under the Malabar Tenancy Act of 1930 which provides that cultivating tenants (verumpattamdars) in continuous possession for six years cannot be ejected on grounds of resumption of land by the landholders for personal cultivation.

In other parts of the State, the tenancies are not regulated. The ejectment of tenants has been recently stayed for a period of one year.

We discussed the question of land reforms with the Madras Government during our tours. We were informed that a comprehensive measure of land reforms is under consideration of the State Government.

West Bengal: There are now three classes of tenancies, namely—

(1) under-raiyats with a right of occupancy (some with full rights of occupancy and others with a limited right of occupancy);
(2) under-raiyats without a right of occupancy; and
(3) bargardars (crop-sharers).

Under-raiyats with 12 years possession got the right of occupancy, *i.e.*, permanent and heritable rights. The West Bengal Government report that

there are few under-raiyats without a right of occupancy. The Government have the powers (under the Estate Acquisition Act) to bring them all into direct contact with the State. This provision has not, however, been enforced so far.

As regard bargardars, they are not regarded as tenants and their rights as regulated by the Bargardars Act of 1950. They can be ejected if the landlord desires to resume land for personal cultivation. There is no limit for resumption. These provisions are now being amended by the Land Reform Bill which has been passed by the State Legislature. It provides for the following:—

(1) a ceiling at 25 acres;

(2) limiting landlords' right to resume 2/3rd the area for personal cultivation provided, however, that if the landlord holds less than the area to be prescribed he may resume the entire area; and

(3) if the landlord fails to bring the land under personal cultivation or gives it to another bargardar within 2 years of resumption, the holding becomes liable to sale in which the bargardar has the first option.

Madhya Bharat : In Madhya Bharat, subletting has been prohibited under the Land Revenue and Tenancy Act of 1950.

In zamindari and the jagirdari areas, the existing tenants were given the right of purchase within a period of four years which has subsequently been extended by another two years. Pending purchase, they retain their existing status.

In the ryotwari area, the sub-leases were to have terminated before the expiry of the period of four years, and if any sub-tenant or tenant was allowed to retain he was to be considered a trespasser. Recently, an Ordinance has been enacted to provide for stay of ejectments. There is, however, no provision for the restoration of ejected tenants.

Mysore: In Mysore, the tenancies are regulated by the Tenancy Act of 1952 which confers security of tenure on tenants who were in continuous possession of land for 12 years prior to April 1, 1951 subject to the landlord's right of resumption. The landlord may resume half the area from such a tenant holding 10 acres or less. If a tenant holds more than 10 acres, the landlord's right to resume land extends to an area between 50 to 75 per cent of the area leased.

In respect of tenants holding for a period of less than 12 years prior to April 1, 1951 or admitted subsequently, a minimum period of 5 years has been provided at the end of which the landlord may resume the entire area.

There is no upper limit on the extent of land which the landholder may resume from tenants. The State Government had formulated proposals for further reforms which were examined in the Planning Commission and certain suggestions were made. During our tours, we also discussed the matter with the Revenue Minister, Mysore and officers concerned with land reforms. The Minister was personally in favour of the suggestions but was doubtful to what extent they would be generally acceptable. He also mentioned to us that most of the land owners in Mysore generally cultivated their own lands and leasing was rather infrequent.

Saurashtra : The position of the tenants-in-chief in the intermediary areas of Saurashtra has been described in an earlier Chapter. The rights of sub-tenants have not been defined. No rights were conferred on tenants of the ryatwari holders. They are, however, reported to be very few. Since 1953, leasing has been prohibited except by persons suffering from a disability.

Travancore-Cochin : In Travancore-Cochin, there are :—

(*i*) Kanom tenants;
(*ii*) Verumpattamdars; and
(*iii*) Waramdars (crop-sharers).

The *kanom tenants* have fixity of tenure. In Travancore area they pay assessment together with landlord's due to the State. This provision is being extended to Cochin area also. There is, thus, no direct landlord-tenant relationship in their case. Quite frequently, kanomdars themselves constitute a class of landlords.

In Cochin area, verumpattamdars have fixity of tenure. In the Travancore area their ejectment has been temporarily stayed. In many cases, verumpattamdars also get their lands cultivated by crop-sharers.

Waramdars are not considered as tenants in the State and they are liable to ejectment at the will of the landlord.

We noticed that in this State there is no such class of actual owner-cultivators as obtains in most parts of the country. A very large number of people who have rights in the land either cultivate with the help of hired labourers or crop-sharers.

There is a Bill before the State Legislature for conferment of rights on the *verumpattamdars*. The provisions in this Bill are inadequate. In fact, in Cochin area some of the verumpattamdars who now enjoy fixity of tenure, will become liable to ejectment. There is no provision in the Bill for conferment of rights on *Waramdars*. We discussed the question of conferment of rights on the *Waramdars* with the State Ministers during our tours and there was a strong opinion among them that *Waramdars* should not be considered as tenants.

Part 'C' States

We have already discussed the measures adopted in Delhi and Himachal Pradesh.

In Ajmer, for the intermediary areas, the Land Reforms Act of 1955 provides for conferment of ownership rights on—

(*a*) sub-tenants holding land for 3 years or more;

(*b*) tenants of home-farm lands holding for 3 years or more, from proprietors who own 8 standard acres or more.

In the Khalsa area, under the Tenancy Act of 1950, security of tenure was conferred on tenants but not on sub-tenants and tenants of home-farm lands. In actual practice, this law is ineffective in the Khalsa area and even the tenants-in-chief have not enjoyed any security of tenure.

In Bhopal ejectment of tenants has been stayed temporarily.

In Coorg, Manipur and Tripura, there is no law to regulate the rights of tenants. The Planning Commission have made detailed suggestions to the State Governments.

In Vindhya Pradesh, Land Revenue and Tenancy Act has been enacted which provides for a minimum term of 7 years on all sub-tenants.

Right of Purchase

12. In the Plan it has been recommended that the tenants of the non-resumable area should have a right of purchase; price being determined as a multiple of the rental value of land and the payment being made in instalments. It was further suggested that there is advantage in the Government establishing direct contact with them.

13. We have mentioned earlier that in U.P. and Delhi, all tenants and sub-tenants have been brought into direct relation with the State. In U.P. they have the option to acquire bhumidari rights and in Delhi, they get ownership straight away. In Bombay at present protected tenants have an optional right of purchase subject to owners being left with 50 acres. The law is being amended to extend the right of purchase to ordinary tenants as well. *The right will attach to all non-resumable area but not exceeding 3 economic holdings.* The tenants of persons who own one economic holding or less and whose annual income does not exceed Rs. 1,500 will not, however, have the right of purchase. A further condition has been stipulated, *viz.*, the tenants will be required to acquire ownership by April, 1957. If a tenant fails to purchase, he is liable to ejectment.

In the following States, the tenants have been given an optional right of purchase under conditions which vary from State to State:

Madhya Pradesh	Hyderabad	Ajmer
Punjab	Madhya Bharat	Himachal Pradesh
	Pepsu	Kutch and
	Rajasthan	Vindhya Pradesh

These conditions have been described in the annexure. In Madhya Pradesh the right of purchase accrues only to occupancy tenants.

In the Punjab, a tenant has a right to purchase the non-resumable area provided he has held the land continuously for not less than six years.

In Hyderabad, the right is available only to protected tenants. They are entitled to retain the non-resumable area provided landlord's holding is not reduced to a size of less than two family holdings (a family holding means an area which yields a gross produce of Rs. 1,600. It varies between 4 to 60 acres). The State Government have also taken the power to transfer ownership rights to protected tenants in any area by notification and recover the compensation from the tenants as arrears of land revenue. It has been reported that the Government has issued such notification in two districts.

In Madhya Bharat, tenants of Khudkasht (Shikmis) in jagirdari area were conferred ownership rights without any payment; in the zamindari area they have the optional right of purchase on payment of compensation. Sub-tenants and tenants of sub-tenants also get the right of purchase on payment of compensation in Zamindari and Jagirdari areas but not in ryotwari area.

In Pepsu, the right of purchase attaches to the non-resumable area. The provisions relating to the right of purchase have, however, been kept in abeyance.

In Rajasthan, the tenants of Khudkasht and sub-tenants have the right to purchase a minimum holding with a net annual income of Rs. 1,200. The right is, however, not available to tenants on lands which were under the personal cultivation of the landlord for five years prior to 1948-49.

In Ajmer the right is available to the tenants other than non-occupancy tenants in the khalsa area.

In Himachal Pradesh, a tenant may purchase the non-resumable area.

In Kutch, the provisions follow generally the Bombay provisions for purchase by tenants.

In Vindhya Pradesh, sub-tenants can acquire ownership on payment of compensation in an area of 10 acres subject to two conditions.

(1) the total holding of the sub-tenant including the area owned does not exceed 30 acres; and (2) the owner's holding is not thereby reduced to less than 30 acres.

14. There are large variations in the rates of compensation payable by tenants.

Bombay	20 to 200 times the assessment.
Madhya Pradesh	7 times the rent for acquiring Bhumidari rights and 10 times the rent for acquiring Bhumiswami rights.

Punjab	three-fourths of the average market value prevailing during preceding 10 years.
U.P. ..	10 times the hereditary rate of rent.
Hyderabad ..	Subject to a maximum of 40 per cent of the market value it is to be fixed:— in case of dry lands at 15 times the rent; in case of well-irrigated lands at 8 times the rent; and in case of other irrigated lands at 6 times the rent.
Madhya Bharat	2 to 8 times the net income.
Pepsu ..	90 times the land revenue subject to a maximum of Rs. 200 per acre.
Rajasthan ..	Un-irrigated lands (including dehri, selabi and tank land). 10 times the annual rent (further subject to the conditions applicable to 'other irrigated land'). Well-irrigated: 16 times the annual rent (further subject to the conditions applicable to 'other irrigated land').

Other irrigated lands: In case of tenants in possession—

(1) for not more than 6 years: 50 per cent of the market value,

(2) between 6 to 12 years: 35 per cent of the market value,

(3) above 12 years : 25 per cent of the market value *plus* cost of improvement other than well.

Ajmer ..	12 times the annual rental value calculated at sanctioned rates applicable to hereditary tenants.
Delhi ..	20 to 40 times the land revenue in the case of sub-tenants and tenants of *sir*.
Himachal Pradesh	48 times the land revenue and rates and cesses for non-occupancy tenants.
Kutch ..	Average market price as determined by Land Tribunal.
Vindhya Pradesh .	Fifteen times the annual rent payable by the sub-tenant.

15. Provision has been made for payment of compensation in instalments spread over a period—

Bombay ..	In annual instalments not exceeding 12.
Punjab ..	In six-monthly instalments not exceeding 10.

U.P.	..	In lump sum (if compensation equal to 12 times the rent is to be paid then in 4 six-monthly instalments).
Hyderabad	..	In 16 instalments spread over 8 years.
Pepsu	..	In annual instalments not exceeding 6.
Rajasthan	..	In annual instalments not exceeding 6.
Ajmer	..	Amount to be paid within the period allowed by the Collector.
Delhi	..	10 annual instalments.
Himachal Pradesh		In 10 instalments spread over 5 years.
Kutch	..	In 10 instalments spread over 15 years.
Vindhya Pradesh		In prescribed annual instalments not exceeding 15.

16. Bombay, Hyderabad and Ajmer are the only States where the right of purchase has been available to tenants for quite some time. It has been exercised rather casually. Both in Bombay and Hyderabad the tenants were required to pay generally the market value; and the right being subject to owner's right of resumption. In the absence of demarcation of the non-resumable area, the right remained very largely ineffective. In Ajmer also few tenants have exercised the right of purchase, perhaps for the reasons that the compensation is rather excessive and there is no provision for payment in instalments. In Hyderabad, the law has been amended recently. In other States, the right of purchase has been conferred only recently. In most of them the rates of compensation are high. It is too early to say how far these rights will be availed of.

17. A provision has been made in the States of Hyderabad and Himachal Pradesh conferring on Government the power for establishing direct contact with the tenants. Hyderabad Government have recently taken steps to enforce it in selected areas. The Himachal Pradesh Government have yet to frame Rules.

Fair Rents

18. In the Plan it has been recommended that rent should not exceed one-fourth or one-fifth of the produce. The provisions obtaining in various States in this respect are summarised in the Annexure III. We observe that the rents have been brought down to one-fourth or less only in the following States:—

Assam,
Bombay,
Madhya Pradesh (Berar),
Orissa,
Uttar Pradesh,
Hyderabad,

Mysore (Malnad Areas),
Rajasthan,
Vindhya Pradesh,
Himachal Pradesh,
Delhi, and
Ajmer.

In the following States, the maximum rent has been fixed at one-third of the produce:

Punjab,
Pepsu,
Mysore (Maidan area), and
Kutch.

In other States the rents are either not regulated or are excessive.

19. We noticed during our tours that the regulation of rents has not generally been effective. We have described the rights which have been conferred on tenants under the law in various States. In many States, the recommendations made in the First Five-Year Plan have not been implemented or have been only partially implemented. We propose to examine in the next Chapter the extent to which these legislative provisions have been effective. We may also mention that, in many States, there is a tendency to restrict or prohibit leasing of land in future. We propose to discuss this aspect also in a subsequent Chapter.

CHAPTER V

A CRITICAL REVIEW

We have already referred to the Land Policy in the Plan having been accepted as a national policy. In respect of tenancies, the Plan recommended security of tenure for the tenants subject to the landlord's right to resume a limited area for personal cultivation, reduction of rents and a right to purchase ownership of their holdings. In the last Chapter, we have reviewed the legislative provisions enacted in various States to implement this policy. The review indicates marked variations in the degree of implementation. The Land Policy has been implemented effectively only in a few States. In some States, it has not been given effect to and in many others where an effort was made to implement it, the legislation has failed to give the intended relief.

2. In Andhra, the tenants have yet no security of tenure. In Madras, tenancies have not been regulated generally barring certain areas; ejectment of tenants has, however, been stayed only recently. In Travancore-Cochin, the crop-sharing cultivators are still not considered tenants. Heavy rents which in some cases exceed half the gross produce yet continue to be paid. We have reasons to believe that in Orissa the customary rent of half the gross produce is still in vogue although under the law it has been reduced to one-fourth. This is generally true of many other States. Our enquiries in some of the villages of Punjab and PEPSU showed that the dispossession of tenants had occurred notwithstanding the fact the law provided for stay of ejectment. Ejectment of crop-sharers has been reported from Bihar and West Bengal. In Bombay, it appears that during the period between 1948 to 1951 the number of protected tenants declined from 17 lakhs to 13.6 lakhs—a decline of 20 per cent. The area held by them during the same period decreased by 18 per cent.* According to an enquiry conducted by the Hyderabad Government recently, in Hyderabad during the four years period between 1951-55, dispossession of tenants on a large scale took place; the number of protected tenants and the area held by them decreased by 57 per cent and 59 per cent respectively.

Year	Number and area held by protected tanants	
	Number	Area
(1)	(2)	(3)
1951-52	211436	2675960
1954-55	90279	1095319
Percentage difference	57%	59%

In the large majority of cases, the tenants lost their lands as a result of 'voluntary surrenders'.

*Source. File of the Revenue Department, Bombay Government as referred to in the thesis submitted by Shri H. B. Shivamaggi for Ph. D.

3. The causes for this state of affairs are many and complex. Ideas of land reforms are themselves fast undergoing a change. What appears to be a measure of substantial reform today, becomes insufficient tomorrow. And in the absence of a clear conception about the final goal of our land reform measures, changes in the law are bound to be made with a view to satisfy immediate pressures. For instance, in the Punjab, a law was enacted in 1951, laying down the limit of resumption at 100 acres. In 1952, the limit was reduced to 50 acres and in 1953 to 30 standard acres. In 1952, the law further under-went large-scale modifications. Similarly, in Bombay the tenancy law of 1939 was modified in 1946 and was replaced by a new Act in 1948. This Act under-went considerable modifications in 1953 and is again being extensively amended in 1955. A similar process had been followed in Hyderabad. These changes have occurred with such rapidity that the enforcement of law has suffered considerably. We noticed along our tours that in spite of a new legislation on the statute book in the field the old practice still obtains. Tenancies continue to be governed by custom or agreement. Old rents still continue to be paid and accepted though law has scaled them down in many areas and the receipt of higher rent is illegal.

Secondly, gaps are left in the laws which render them largely ineffective. For instance, a landlord is permitted to eject a tenant to resume land for personal cultivation. The idea was to enable a *bona fide* cultivator to return to the land but in the absence of a proper definition of personal cultivation absentee landlords living in distant towns were able to resume land from tenants and get them cultivated by hired labour or through crop-sharing. Further, though a restriction was placed in many States on the extent of land which a landlord may resume by ejecting tenants, no provision was made for the demarcation of the resumable area as distinct from the non-resumable area. Thus, though the landlord's right of resumption was limited in extent, he was able to exercise an undue influence over all tenants which added to his bargaining power and rendered the law ineffective. He could even extort money by threatening to resume land. Similarly a tenant's right of purchase either applies to the non-resumable area or is operative *pari passu* with the landlord's right to resume land. In the absence of demarcation of the non-resumable area, if a tenant tries to assert his right to purchase any plot of land, the landlord can render it ineffective by saying that he would resume that plot of land for personal cultivation. In some cases, the landlords have sold out or partitioned the land which they personally cultivated and having thus brought their holdings below the permissible limit, proceeded to evict the tenants to resume further areas.

Thirdly, in an attempt to balance meticulously the interests of owners and tenants, the provisions of the law, in a number of States, have become so complex that the bulk of the peasantry find it difficult to understand them. After the enactment of a law it was generally left to the tenants and the landlords to take advantage of the provisions of the new legislation and no

organised effort was made to make the tenants understand the law and to ensure that they take advantage of it.

Lastly, even where the tenants are aware of their rights they are generally in too weak a position both economically and socially to insist on their rights. The landlord class includes money-lenders and tradesmen upon whom the tenants have frequently to depend for credit and other necessities of life. Socially, the tenants often belong to the scheduled castes and the backward classes and are afraid of exercising their rights against the higher classes. If the tenancy laws are to be effective, it is necessary that they should be very simple and behind them there should be an administrative support to counteract the effects of the social and economic weaknesses of the tenants. On the contrary, in many States, there is no administrative machinery within easy reach of tenants. In some States, there are no village records from which a tenant can establish his position. In some others, where there are records, under the customary practice, the tenant's name is not entered. Even where his name is entered, the landlord has so much influence in the village that frequently it is very difficult for the tenant to establish his position by oral evidence and even if he tries to do so, the trouble and expense of taking his witnesses out of the village to a distant court frequently deters him from doing so. Finally, the attitude of the revenue officers may at times be unconsciously against him. Afterall, ideas about the evolution of tenant's rights as against the landlord have been of a comparatively recent growth. The conception of land as property and the rights and privileges of the owner of the property is deeply rooted. The rights and privileges of the actual cultivator of land are not yet fully comprehended. We find their acceptance somewhat difficult even among politicians who should ordinarily have more liberal views than a revenue officer. The unconscious resistance of revenue officers to liberal ideas can, therefore, be easily understood. In the case of conflicting evidence, there is a greater tendency to believe the landlord than the tenant, the presumption being that a poor man is more likely to speak unturth with a view to obtain some land than the rich landlord who having already enough land, may not be under immediate pressure to do so.

4. The tenancy laws have been enacted to confer rights on the tenants. It was only natural that the landlords should make an all-out effort to get back their lands from tenants free of encumbrances for fear of accrual of adverse rights which might be proposed in the tenancy law. It is little wonder, therefore, that large-scale dispossession of tenants has occurred during the past few years under the guise of 'voluntary surrenders'. The Hyderabad enquiry shows that in as many as 77 per cent cases, the tenancies were terminated as a result of surrenders. The enquiry report gives the reasons and the compulsions for which the tenants had surrendered lands in these words :—

> "Such surrenders have taken place even in cases where the tenant was aware of his rights granted under the law...... a majority

of the tenants did not want to estrange their relations with the landholders on whom they depended for many things in their day-to-day life. Most of them thus left the land immediately they were asked to do so."

5. The regulation of tenant-landlord relationship has thus generally failed. If the position of the tenant is to be secured there is, perhaps, no alternative to ending the tenant-landlord relationship by the State interposing itself between the tenant and the landlord.

PART II

CHAPTER I

SOME FUNDAMENTAL CONSIDERATIONS

In this Chapter, we propose to refer to some fundamental considerations which in our view should be borne in mind in formulating land reforms proposals. In doing so, we are fully conscious of our limitations. We are a Tenancy Committee and as such should be dealing with this question only. Separate committees have been constituted to consider the question of ceilings on land holdings and the problems of agricultural reorganisation. And yet we feel that some reference to these fundamental considerations is essential even for understanding our recommendations on the tenancy problem itself. Besides, wherever we have referred to the question of ceilings and reorganisation of agriculture, we have based them on the recommendations already made in this behalf in the First Five-Year Plan, which have received such wide acceptance, from the people and the Central and State Governments.

2. We have already referred in a previous Chapter to the evolution of ideas on land reforms. That evolution is still in progress. As it is our object to transform rural society by peaceful and democratic means, a certain amount of gradualness is necessary and desirable. It is necessary to obtain wide acceptance and common consent for each step that is taken, which in its turn acts as a process of social education for the next. A period of transition is, however, exposed to some dangers. Progressive change may cause a feeling of insecurity and may give an opportunity to the more powerful sections to anticipate further change and make its implementation difficult. These difficulties have to be taken into account in any proposals for land reforms and the pace and direction of social change carefully adjusted to avoid them. It is, for instance, apparent that large land-holders have come to realise that they cannot for long continue to enjoy the rights that they now possess. This was brought to our notice quite pointedly in the course of our tours. During our discussion with this group, while they argued about increased production from a large holding, its capacity for investment, and that they had spent large sums of money in developing their land, in the end they used to express the fear that it was not possible for them in the prevailing atmosphere to hold so much land and therefore all that they prayed for was adequate compensation for the land that was taken from them. This feeling of uncertainty hinders investment on land which is one of the chief arguments in favour of a large holding.

3. And what is more, we do not consider it easy by any steps which the Government might take, to restore the feeling that the landlords had in the past that their property rights were not liable to be affected by any sudden

or immediate change. The circumstances and the atmosphere are against it. Even if the Government were to make a declaration of the inviolability of such holdings, such a declaration cannot bind future Governments and the prevailing atmosphere indicates that a future Government is bound to impose a ceiling even if the present Government does not do so.

The landlords have made little contribution to the development of land in the past; they did not consider it necessary as they could obtain considerable incomes by letting the land to tenants on extortionate rents. Whatever investments were made went to the acquisition of land and not towards providing facilities for increased production or improvement of the conditions of the cultivators. For a different reason, the present situation is also not conducive to any large-scale investment on land under the personal cultivation of big land-holders who are merely marking time and only desire adequate compensation for the value of their lands.

A complementary aspect of the same question is the expectation raised in the minds of the landless population of obtaining a higher social status, greater security and means of employment and the hope of receiving land through some manner of redistribution. The Bhoodan Movement has strengthened the demand for land. Our ideas of social justice are being progressively enlarged and they are bound to become increasingly larger with the passage of time. Unless, therefore, there appears to be a reasonable possibility of providing employment for a large number of the landless population in other non-farm occupations in any reasonable period of time, this demand for land is likely to increase in volume and intensity and assume the form of a mass movement in a short time.

4. Increase in personal cultivation as distinguished from cultivation through hired labourers must be an important objective of land reform. It goes without saying that other thing being equal, a personally cultivated holding, is likely to yield more than one cultivated through hired labour. The advantages to the State of a hardworking contented and prosperous peasantry working on the land are considerable. It is their purchasing power, which will influence increased production of industrial goods, and thus help industrialisation. The ownership of land, besides conferring security and social status on its possession also provides an opportunity for self-employment and it should be an objective of land policy to increase this sector up to the limit where holdings become so small that these advantages begin to be counter-balanced by other disadvantages.

5. The reforms have to be far-reaching and thorough from another consideration also. We have already referred to the difficulties arising from uneven or slow action, particularly in the land sector. It has been noticed that, in a number of cases, measures intended to improve the conditions of tenants by conferring on them security of tenure and reducing their rents have been rendered ineffective by the landlords resorting to evictions on a considerable scale. In a similar way hesitation in imposing a ceiling with a

view to provide the agricultural economy of the country with the advantages of a large holding may result in fragmentation of these large holdings by sales and partitions and thus reducing the amount of surplus land which would otherwise be available for redistribution on a planned and systematic basis.

6. All proposals for land reforms should aim at establishing such a new pattern of landownership and cultivation that it will have in it the germs of future development. And the next step in land should be such as clearly lays bare the final pattern of landholding involved in the significant expression 'land to the tiller'. The element of uncertainty should be reduced and the landowning classes including both the small and the large holders should know precisely where they stand. The position of tenants should be established and rendered secure. It is of importance that all proposals for land reforms must carry conviction to all concerned with the holding of land that they are final and unlikely to be disturbed for any reasonable length of time. It is this atmosphere that induces development and it must be our concern to restore it.

7. One of our most urgent problems is the provision of additional opportunities for employment to those who are engaged on land today whether as landowners, tenants or agricultural labourers. The fundamental cause of our poverty is our inability to utilise fully the labour potential of the bulk of the people who are today engaged on land. In so far as agriculture is a seasonal occupation, even a large holding is ineffective in increasing the period of employment. More employment outside the agricultural season must therefore be found by (1) development works and (2) development of village industries. There is also considerable scope for a good deal of development work on the land itself. Soil erosion is our chief technological problem today, and if soil is to be conserved, land will have to be terraced, bunded and afforested. Irrigation sources will have to be developed and where there is no scope for collecting rain water, wells will have to be dug. A proper system of soil conservation includes all these items and a great deal of labour could be absorbed in all these operations. They would increase production provide more employment on land and open the way for adoption of modern scientific agricultural practices. It is estimated that it requires about Rs. 90 worth of labour to conserve properly one acre of cotton land. This would give an idea of the scope for absorption of labour in soil conservation operations. The land is there, the surplus labour is there, the nation can afford the capital necessary to start this process of land development, and yet inspite of all these favourable factors, there are considerable difficulties in co-ordinating them and providing more employment on land.

8. The reason for this difficulty is quite obvious. Land today is divided in a series of fragments, each owned by a separate individual. Individually he has neither the resources nor the inclination to develop the land. Wage-paid employment to develop individual fragments is out of question. The

other alternative is some sort of a cooperative effort by the landowners for this purpose. This is considerably handicapped by the various differences in the landownership pattern of the village community. Some have more land, some have less land and others have no land at all. It is clear that an effort at land development in the existing pattern of land-holding is bound to give differential returns to the various owners owning land in proportion to their ownership. The large holders will benefit more, the smaller holders less, and the landless not at all, except in an indirect way. It is this difficulty which prevents a large-scale effort at land development on the part of the village community.

9. But if land were owned by the whole village with an equal right to participate in its fruits, on the part of all those who are willing to labour on it, the case would be different. Everybody would have the same interest in developing the land and this should pave the way for a land army in each village working for the maximum produce from the land. Land resources and human resources would be fully coordinated without the inter-position of any ownership rights or other differences separating them from one another. Through his Bhoodan movement, Vinobaji appears to be keen on producing the same atmosphere. He aims at abolishing individual ownership in land. Land is to belong to the whole village community. Such a transformation will confer incalculable advantages on our agricultural economy. Labour for agricultural development will be plentiful, the unit of management being large, capital could be induced to flow into agriculture and labour would have the maximum incentive to increase production since it will be entitled to the full benefit thereof. The problem of the assessment of labour of each individual so as to provide him a return commensurate with it would, however, still remain. And this need not be belittled.

The objective has been clearly indicated in the First Five-Year Plan itself.

'The primary object of cooperative village management is to ensure that the land and other resources of a village can be organised and developed from the stand-point of the village community as a whole. The rights of ownership are determined by the land reforms legislation of a State. Even after a system of cooperative management is established, the rate of rent or ownership dividend to be allowed to an owner in respect of his land will be determined on the basis of the tenancy laws of a State. What the land management legislation enables a village community to do is to manage the entire area of a village, both cultivated and uncultivated, as if it were a single farm. According to circumstances, the actual cultivation could be arranged, as might be found feasible, in family holdings, through small groups working in blocks of land in the village on cooperative lines or through a combination of arrangements adapted to the operations to be carried out. As techniques develop and the manpower requirements of occupations other than farming increase still larger blocks of land could be worked cooperatively. Accordingly

to their needs and experience, village communities will discover the arrangements which serve them best. There has to be a great deal of trial and experiment before patterns of organisation which will best promote the interests of the rural-population can be evolved. Nevertheless, it is important to work towards a concept of cooperative village management, so that the village may become a vital, progressive and largely self-governing base of the structure of national planning and the existing social and economic disparities resulting from property, caste and status may be obliterated'. (para 34, page 197 of the First Five-Year Plan).

10. We do not, however, want to minimise the difficulties in the way of achieving this goal. They are many, the chief among them being the sense of ownership ingrained for generations which the cultivator feels for his land. The substitution of this by the concept of common ownership of village land can only be a matter of time. The pace cannot be unduly forced. Vinobaji's movement is already creating an atmosphere in the country for such a consumation. In the meantime, all that we can do is to keep this objective in view and take no steps in the land sector which will prejudice it.

11. The objective being thus clear we have next to consider what steps we can take in furtherance of such a pattern bearing carefully in mind the considerations hitherto indicated. It will help further discussions if these are re-capitulated here—

(*a*) the rights and obligations of the various classes interested in land, the large and small holders, tenants and agricultural workers should be put on a firm and stable footing;

(*b*) there is a growing expectation amongst the landless labourers that they would receive land; this is likely to assume the form of a movement in course of time;

(*c*) increase in personal cultivation should be an objective of land policy; and

(*d*) proposals for land reforms must carry conviction to all concerned that they are unlikely to be disturbed for any reasonable length of time.

12. We find that there is no possibility of reducing the number of people engaged on the land in the near future. Indeed during the course of the Second Five-Year Plan it is estimated that there will be additions to the labour force in agriculture. It will thus be seen that the existing landless people have to be absorbed on the land if there is no immediate prospect of their being employed in other non-farm occupations. The idea of the imposition of ceiling at three times the family holding has already been accepted in the First Five-Year Plan and we recommend that it should be brought into operation in all the States in India during the course of the Second Five-Year Plan. Thus we would be creating a large body of small peasant proprietors and the pattern can be stabilised. (Future changes will then result only from the development of cooperative activities).

There is no doubt that such a solution will be welcomed by the large mass of the landless population. Possession of land gives them security, increases their bargaining power and enhances their status as land-holders in the village. Where the landless people belong to the Harijan caste this is an essential preliminary for the removal of untouchability itself. Existing disparities in ownership of land and agricultural incomes will to a certain extent be reduced. This will facilitate cooperation and rural progress and the State will have laid down the fundamental basis for the erection of a socialistic pattern of society.

13. Two objections have to be considered before such a course can be recommended for adoption all over the country. The first is economic and the second social. The economic objection can be stated thus: The giving of land in small holdings to a large number of landless persons would increase the number of diminutive holdings and to that extent reduce production in agriculture. Further these small holdings being unable to attract capital, the land will progressively deteriorate and this would amount to living on our capital. We proceed to examine in greater detail both these objections.

14. The first objection is that giving small holdings to the landless will reduce production in agriculture. In our view this is not a question on which a dogmatic assertion can be made one way or the other. In our view the fall in agricultural production is likely to result not so much from the small size of the land of these newly created land-owners as from the lack of the other instruments of production besides land such as bullocks, seed, manure etc. If land is distributed and these people are expected to look after themselves then certainly, there is a considerable danger of a fall in production. On the other hand, if these things can be found the likelihood of a substantial increase in production cannot be excluded. We have already referred to the difference between a personally cultivated holding and a holding cultivated through hired labour. Land distribution will substantially increase the former. We do not consider that it is an impossible task to provide the instruments of cultivation to these newly created owners. There would be a surplus of these with these on whom the ceilings are operated and the transfer of these to the newly created owners could be easily arranged, on suitable terms. Thus the risk of a fall in production can only be for the temporary period in which these arrangements have to be made. But thereafter production is likely to increase progressively and substantially.

15. The second ground is social. The question is asked why the land sector alone should be selected for such discriminatory treatment. It is argued that land is property and the imposition of a ceiling takes the character of a capital levy on land and there is no proposal to extend it to other sectors. Either it should not be done at all or it should be accompanied by similar action in other sectors.

We have hitherto indicated briefly our reasons for the imposition of the ceiling in the land sector. In our view these reasons are compelling considered

from all points of view which have a bearing on agricultural production, *viz.*, (*a*) inducing capital investment on land, (*b*) encouraging personal cultivation, (*c*) ending present uncertainty in the land sector and (*d*) providing work and security for the landless, the pattern of land reform that we suggest appears to be inevitable. Except for a temporary period of adjustment we consider that this pattern would also in the end increase production substantially. Thus the imposition of a ceiling on land is in the national interest and, therefore, this step has to be followed. But we realised that this involves a drastic curtailment of the property rights of a considerable number of landholders and considering the attachment in our present society to income-producing property the feeling of injury on the part of the landed class as well as their demand that a similar limitation should obtain in other spheres can be easily understood. We do not, however, agree with the view that the imposition of a ceiling would be justified only if a similar limitation in incomes in other occupations were made simultaneously. Monopoly in land and the ownership of large areas by a small minority of the agricultural classes is an obstacle to economic development. This does not apply with equal force to industrial development where large-scale organisation may lead both to greater economy and efficiency. Besides, redistribution of land is a simple operation as compared to changes in the much more complex organisation of industry and commerce. Historically also, redistribution of land, in a number of countries, preceded economic changes in the industrial sector. But we realise that though redistribution of land may be the first step, it cannot be viewed in isolation from similar action in other spheres. When such an action is taken all round the feeling of injury naturally loses its force. It will be presumed that every section of the community is called upon to make sacrifices for the common good and everybody must cooperate to make this policy a success. It will be beyond our purview to indicate the details of action in other sectors. All that we would like to stress here is that our objectives of social justice should be universally applied and social change in the land sector would be greatly facilitated and the resistance to such a change would be overcome if it is accompanied or immediately followed by similar action in other spheres.

16. With regard to the reorganisation of agriculture and the removal of defects arising from the fact that a large part of the cultivated area is held in uneconomic units of management on which the incentives as well as the resources for efficient cultivation are not available, we would like to refer briefly to the view taken by the Size of Holdings Committee and the Committee on Problems of Reorganisation. The former has recommended that holdings below the floor which are incapable of efficient cultivation as separate units should be consolidated and formed into cooperative units. The trend of discussion in the Committee on the Problems of Reorganisation is that along with the rapid development of cooperation in ancillary activities such as credit, marketing, supplies, etc., the enactment of land management

legislation to raise the standards of cultivation and management and the establishment of suitable machinery for its administration. Steps should be taken to introduce cooperative farming in certain categories of land such as reclaimed waste-lands and the surplus lands that become available on the imposition of ceilings.

17. Whatever view one might take of the future reorganisation of agriculture in India, we feel that these measures and the recommendations made by us in subsequent Chapters for the reform of the agrarian structure and the establishment of suitable machinery for its implementation constitute the next step in land reforms. It will satisfy all the tests laid down above. Until public opinion is sufficiently developed to demand cooperative village management, there would be no necessity at all to scale down further the ceiling once it has been imposed at the recommended level. Even for those who do not believe in the final pattern of land holdings as joint village management and pin their faith on a system of peasant proprietorship this would be the next step in land reforms.

18. This then is our immediate picture of the future land pattern which should emerge as a result of these reforms. It is the logical conclusion of the process which started with the abolition of the zamindari and other intermediaries. Unless these steps are taken, 'land to the tiller' cannot be a reality and the time has come when this should become a reality. The settling of the landless people on the land and providing them with some security in life is a human problem the solution of which cannot now be delayed. This is the first step which must be taken so that a more homogenous village community is produced which can come together for various objects of rural development. Cooperation in the village today is handicapped because of the various social and economic differences which beset village life. These come in the way of all cooperative activities. It is necessary to remove them and establish a more homogenous and a broad based pattern capable of sustaining the rapid strides of national development which are taking place today.

CHAPTER II

ABOLITION OF INTERMEDIARIES

1. We have described briefly the progress achieved by about the end of the First Five-Year Plan in the abolition of intermediaries and tenancy reforms and the main features of the legislation enacted in the various States for the purpose. Abolition of Intermediaries has been carried out in the bulk of the country and further legislative measures have to be taken only in some small areas which we have indicated. Abolition of intermediaries does not raise any controversial issues and its main features are well-known. *We recommend that the process should be completed as early as possible.* In some States, it is possible that there may be some feeling that further land reform measures may be taken up when the question of re-organisation of States has been settled and there may perhaps be some reluctance to take up any controversial measure on account of the fact that the areas affected may be transferred to other States. We would, however, urge that this should not be regarded as an obstacle to the completion of the work because abolition of intermediaries has a well-known and common pattern and necessary action can and should be taken even before the re-organisation is complete.

2. We have mentioned that in a number of States, some of the main tasks consequent on the abolition of intermediaries have yet to be completed. While we are aware that the State Governments concerned are taking necessary action, we would urge that effort should be made to complete the various items of work as early as possible, referred to in Chapter III of Part I of this report particularly :—

(*a*) Cadastral survey and preparation of records wherever necessary;

(*b*) Strengthening the agency for the maintenance of land records up-to-date;

(*c*) Setting up of a suitable agency for collection of land revenue; and

(*d*) Setting up of an agency for management of common lands acquired by Government.

3. We consider that it is desirable to pay compensation as quickly as possible in cases where it has not been paid already. Where there are likely to be some delays in the determination or payment of compensation, interim compensation should be paid. Steps should be taken, in particular, to make the payments to small intermediaries and to the intermediaries who are widows or minors. A suggestion has been made to us that there should be a ceiling on the amount of compensation payable to any intermediary. We

suggest that this should be carefully considered and implemented if there are no constitutional or legal difficulties.

4. We have briefly described the important variations from the general pattern of abolitions which have been made in some of the States. In Bombay, for instance, the tenants-in-chief have not, in a number of cases, been brought into direct contact with State, but remained tenants under the intermediaries, who will be registered as occupants. There has been considerable correspondence between the Planning Commission and the Bombay Government on the subject. In view of the fact that the laws were enacted in some cases several years ago, it may not be easy to make basic changes at this stage. The Planning Commission, may, however, explore the possibility in consultation with the Bombay Government. It may, however, be mentioned in this connection that the Bombay Government, by a recent Amendment Bill, given a further measure of security to tenants. In some States, namely, Bihar, Orissa, Hyderabad and Mysore the intermediaries can be allotted lands held by the tenants-in-chief. In these cases also we would recommend that the Planning Commission may consider suitable action as suggested in the case of Bombay.

INAMS

5. Inams or grants of land may either be (free of revenue muafis) or subject to payment of land revenue at the full rate or at a concessional rate. They may be divided into the following categories :—

(1) Inams granted as a reward for services rendered or as a favour at the pleasure of the grantor;

(2) Service inams contingent upon the due performance of certain services, such as

- (*a*) services useful to the Government;
- (*b*) services useful to the community;
- (*c*) religious services; and
- (*d*) personal services to be rendered to the grantor.

(3) Inams held by religious or charitable institutions.

6. Inams are recognised to be tenures of an intermediary nature and have been dealt with accordingly in the various States: the progress towards their abolition being somewhat uneven. Certain categories of inams (such as service inams, minor inams etc.) have yet to be abolished in some States. We recommend that action for the abolition of inams should be completed as early as possible on the basis of the general pattern for abolition of intermediaries.

Certain difficulties with regard to the abolition of inams for services useful to the Government, however, need to be considered. The services are of diverse nature, for instance, maintenance of land records, collection of revenue etc. There are some cases where the services are remunerated by

the grant of the land, others, where some further payments are also made as, for instance, commission on the revenue collected, but in such cases the additional payment is naturally smaller than it would otherwise be. Grants of land for such services relieve the State of the whole or a part of the financial burden which would otherwise accrue. The abolition of such inams would, therefore, increase the financial burden, of the State. As against this, we have to take into account the nature of the revenue administration which is necessary for effective implementation of land reforms policies. There is a likelihood in such a combination of either the Government duties being neglected or else the land being cultivated through tenants and thus militate against our objective of promoting a system of owner-cultivation.

Further, in an area where an owner of land in a village performs an important function like the maintenance of land records, the administration may be biased against the interests of other classes such as tenants. An owner who collects land revenue, is likely to be a very powerful person and may to that extent tend to weaken the authority of the village panchayat. It is conceivable that functions relating to the revenue administration may be performed by Government servants on prescribed scales of pay or by duly elected representative of the village community as a whole. But a system in which a landlord performs these functions, is inconsistent with our objectives. We, therefore, recommend that the organisation of services to the Government should be based on the normal footing as speedily as possible.

CHAPTER III

RIGHTS OF OWNERS OF LAND

With the abolition of intermediaries, the existing tenures may be broadly clarified into the following categories :—

(1) Owners, *i.e.*, the principal tenure holders such as occupant or raiyat or tenants-in-chief (in the former intermediary areas), who hold land directly under the State;

(2) Tenants, *i.e.*, sub-tenants or tenants of an occupant or raiyat holding land from an owner either directly or through an intermediate tenure holder.

We shall now proceed to consider the nature of the rights and obligations of these various classes of tenures.

2. In any consideration of a comprehensive scheme of land reforms we have to take into account not only the quantum of rights which should be conferred upon the peasants in cultivating possession of land and the degree and nature of social control over these rights, but also the ultimate pattern of our social and economic institutions. The Congress Agrarian Reforms Committee considered the following alternative forms of agrarian economy, namely :—

(*i*) Capitalist farming or estate farming;
(*ii*) State farming;
(*iii*) Collective farming;
(*iv*) Individual peasant farming; and
(*v*) Cooperative farming.

It rules out capitalist farming as a general method of utilisation of agricultural resources, because 'it would deprive the agriculturists of their rights in land, turn them into mere wage earners and subject society to capitalist control in such a vital matter as supply of food. It would also create the problem of displaced personnel'.

As regards State farming, the Committee did not consider its general extension desirable. They, however, felt that 'State farming of some limited degree may be necessary when waste lands are reclaimed and agricultural labourers are settled thereon. The agricultural labourers being unable to provide the requisite managerial capacity in the beginning must be assisted by State personnel, supervision and direction. But as the agricultural labourers become trained in the art of management and direction, State control and supervision should be withdrawn and the farm turned into a collective farm'.

As regards collective farming, the Committee recommended that settlements on reclaimed waste-lands should be organised in collective farms

with landless labourers. The Committee observed that 'on reclaimed waste-lands sense of ownership also would not have developed. Therefore, in a collective farm of landless labourers on reclaimed waste-lands, neither would there be any suppression of individual freedom nor any loss of incentive to production'.

As regards individual peasant farming, the Committee was of the view that having regard to the main principles which should govern the agrarian policy of the country, peasant farming on suitable units of cultivation under a properly determined schemes, if rights in land would be most suitable. It, however, recommended that individual farming should be limited to holdings above the basic. Holdings smaller than basic holdings, should in course of time be brought under a scheme of co-operative joint farming.

3. The general questions relating to the re-organisation of agriculture and holdings below the minimum size are under the consideration, of the other Committees appointed by the Land Reforms Panel, and they are somewhat outside the purview of this Committee. We, however, agree generally with the Congress Agrarian Reforms Committee that the future pattern of agrarian economy should be flexible and no single uniform method of land utilisation can meet the requirements of the situation. The ultimate pattern may be left to be moulded in the light of our future experience. Meanwhile, our immediate problems regarding the stabilisation of individual peasant farming are of such a nature that whatever the ultimate goals we visualise, the immediate measures would remain more or less identical.

4. With the abolition of intermediaries, the wide variety of tenures prevalent in the country have to some extent, been simplified. But considerable multiplicity of tenures still obtains, due mainly to uneven historical development and in particular to the fact that in a number of States the rights of the tenants-in-chief have remained substantially unchanged. There are so many differences in detail between various principal tenures that their exposition would take us too far afield. A few illustrations would, however, serve to bring this out.

In U.P., there are two classes of principal tenures, namely *bhumidars* and *sirdars*. The *bhumidars* have the right of non-agricultural use of their land and also the right of transfer subject to certain restrictions. The *sirdars* do not possess the right of transfer and are not entitled to use their land for a non-agricultural purpose.

In Bombay, there are occupants who possess the right of transfer and occupants on a restricted tenure who do not possess this right.

In Bihar, the Land Reforms Act leaves the position of the principal tenants, *i.e.*, raiyats, unchanged with the result that there are raiyats at fixed rates and occupancy raiyats with permanent and heritable rights and the right of transfer, with minor differences of detail and non-occupancy raiyats who do not possess these rights.

Steps have, therefore, to be taken to rationalise our land system and to introduce a more or less uniform pattern throughout the country, allowing only for such variations as are justified by economic considerations rather than considerations of historical development. Denial of necessary rights or the conferment of excessive rights can both cause damage to the rural economy. A comprehensive view of this question should be taken so that the quantum of rights of owners is related to their economic functions and the interest of the community as a whole. They should have the rights which will give them the necessary psychological incentive and opportunities for increased agricultural production and should have the obligations which would facilitate the maximum utilisation of land resources in the interest of the community.

5. With these objectives in view we shall now proceed to examine the quantum of rights which should be given and the measures of social control which should be exercised.

(1) *Inheritance* : Inheritance is generally governed by personal law, but in some cases as, for instance, *sirdars* in U.P., a restricted table of devolution has been prescribed in order to prevent fragmentation of holdings. We consider that there is no need to make a distinction between inheritance of land and inheritance of other forms of property. The measures necessary to prevent excessive fragmentation will be examined in the sequal.

It was mentioned to us that with the change in Hindu Law by which daughters will inherit an equal share with sons, a situation may arise which will lead to considerable leasing of land as the daughters may on their marriage leave for another village and it will not be possible for them or their husbands to cultivate the land personally. The Committee is of the view that this question may be considered subsequently in the light of experience but for the present it does not seem desirable to debar daughters from inheriting property in land.

(2) *Right of Transfer* : The bulk of the owners already possess the right of transfer subject to certain restrictions. The restrictions, however, vary from State to State and there are also cases where the owners do not possess the right of transfer.

It was suggested that from the point of view of cooperative joint farming as the ultimate goal, it would not be desirable to confer the right of transfer upon those who do not already possess it so that the sense of individual property in land and attachment to land may not be strengthened. It was, however, felt that in the existing conditions this may result in immobility. A cultivator desiring to seek an alternative occupation would be willing to part with his land if he could; obtain its price, but would not be willing to do so when the only alternative open to him would be to surrender the land, and receive compensation only for the improvements made by him. Besides, it may lead to absentee ownership as in such a situation the cultivator would not surrender the land but would try to make some arrange-

ment in such a way that though the land would be cultivated by another person he would be in a position to claim that it was under his own personal cultivation. A denial of the right of transfer would further make it difficult to obtain credit, in particular long term and medium term credit. In the circumstances, it is desirable to confer the right of transfer upon all owners subject, however, to certain restrictions, namely;

(*i*) In order to prevent accumulation of large holdings there should be a ceiling on future acquisition;

(*ii*) The transfer of land should be regulated with the following objects in view :—

(*a*) On account of the excessive pressure of population on land, and the lack of alternative means of employment, the ownership of land has given rise to a monopolistic situation. On account of land hunger, people are willing to pay more than the economic price of land with the result that most of rural savings are utilised for land acquisition rather than development of land and a cultivator at the beginning of his career, as an owner cultivator, starts with a considerable handicap and with inadequate financial resources. The price of land should, therefore, be regulated in the interest of community as a whole.

(*b*) Peasant farming can be established only if provisions are made to ensure that units of management do not decrease below a minimum size. The shifts that take place, in exercise of the rights of transfer, should be utilised to bring about progressively a more equitable distribution of land. Transfers should, therefore, take place in accordance with an order of preference.

Such provisions would be ineffective if transfers continue to be made by private contracts between individuals. The Committee, therefore, recommends that transfers should be made through village panchayats at regulated prices (which should give adequate recompense to the transferor, and be also economic for the transferee) and according to an order of preference which should be prescribed by law. The aggregate of the land which the transferee may own (including the area already owned) should not exceed the area which a family can cultivate with their own labour and occasional hired labour to the extent customary. In cases where there are more applicants than one belonging to the same order or preference, who are willing to purchase the land at a regulated price, lots may be drawn.

(3) *Right of improvement* : The Committee are of the view that an unrestricted right of improvement should be given.

(4) *Right of simple mortgage* : The Committee are of the view that all owners should have the right to make a simple mortgage to facilitate rural credit.

(5) *Right of mortgage with possession* : The Committee is of the view that the cultivators should not have the right of mortgage with possession, as it can be used to defeat the provisions for regulation of transfers and leases.

(6) *Right of letting* : There was no difference of opinion with regard to the desirability of allowing persons who suffer from a desirability to lease their lands, namely a widow or unmarried woman, a minor, a person unable on account of physical or mental infirmity to cultivate the land and members of the Armed Forces of the Union.

With regard to the right of letting for categories other than the above, some members felt that in order to put an end to the landlord-tenant system leasing of land should not, in future be allowed. The Committee, however, feels that it would not be administratively possible to enforce a complete prohibition of letting. Besides, it would make the land system too rigid and would prevent the rural classes from taking up employment in urban areas.

The Committee are generally agreed that in the existing circumstances complete prohibition of leasing is not a practicable or even a desirable proposition. In order, however, to ensure that this right is not abused and that the lessee is not exploited, provision should be made that leases of land will not be made by private contract between individuals. All leases should be made by the village panchayat for whose guidance suitable principles shall be framed, including an order of priority and describing the conditions in which leases may be allowed. Leases, should be permitted for a minimum period of 5 years, at the end of which the lessor should take up the cultivation of land, failing which the tenant shall, where he holds from substantial owner acquire permanent rights. In the case of small owners, however, the lease shall be deemed to be renewed for successive periods of 5 years.

(7) *Right of use* : The cultivator should have the right to use land for agricultural purposes subject to the observance of standards of efficient cultivation. Use for non-agricultural purposes may also be permitted subject to the approval of the community.

(8) *Right of exchange* : The right of exchange already exists in order that cultivators may exchange lands among themselves according to their needs. There is no objection to this right being allowed to owners where it does not obtain now.

(9) *Right of partition* : In a number of States the law provides that co-tenure holders or the heirs of a tenure holder shall not have the right to partition a holding if it is below a minimum size or if it would have the result of creating holdings below a minimum size. The minimum sizes have been prescribed in the various States in the light of their agricultural conditions, so that holdings may not be reduced below the size which can be efficiently and profitably cultivated. We have very little experience of the working of such laws and it is not possible at this stage to judge to what

extent such a provision can be administratively enforced. It is, however, apparent that where such a provision does not prescribe a penalty, private partition may be made by the co-tenure holders by agreement among themselves. The only effect would be that though the land would be cultivated in uneconomic holdings in actual fact, the law would not recognise the partition. Non-recognition does not, however, change the economic situation though it may tend, to a small extent, to discourage private partitions. The administrative difficulty in enforcement, mainly arises from the fact that the parties interested in the land would have a common interest in not bringing the fact of an illegal partition to the notice of the courts. The only agency for bringing contravention of the law to the notice of the courts is the revenue agency which may be inadequate for the purpose.

At the same time it cannot be denied that it is necessary in the interest of the community to ensure that its land resources are utilised efficiently and holdings are not broken up below a minimum limit. We suggest that partition of land where it results in the creation of a fragment or in the breaking up of a holding which is already a fragment should be prohibited. The village panchayats should in addition to the revenue agency be required to report cases of contravention and where the village panchayat is unable to persuade the co-tenure holders to cultivate their land on a cooperative basis, the land should be sold at a regulated price among the co-tenure holders. The co-tenure holders who do not purchase the land should be paid their share of the compensation.

(10) *Recovery of rent or revenue* : In a number of States, the principal tenure-holders can be ejected from their holdings for default of the rent or revenue payable to the State, while in some other States there is no liability of ejectment. We consider that the provision for ejectment should be omitted and arrears of rent or revenue may be recovered by sale of the holding. Such sales should be subject to the same conditions as have been suggested above for voluntary transfers. Land of value equivalent to the rent or revenue should be sold but not in such a way as to create a fragment.

(11) *Processes for recovery of arrears of rent or revenue* : The processes for recovery of rent or revenue are generally similar in the various States and include (1) issue of a writ of demand, (2) sale of moveable property, (3) sale of crops, (4) sale of the holding, (5) sale of other immovable property, and (6) arrest and detention of the defaulter.

The Committee is of the view that arrest or detention of the defaulter should be omitted from the processes of recovery. The other processes are quite adequate for the purpose.

(12) *Rent in kind* : Under the intermediary system, there were some classes of tenants who paid rent in kind. On abolition, the State Governments have taken steps to commute such a rent into a fixed money rent as it is obviously inconvenient for the State to collect rent in kind.

(13) *Principles governing the allotment of waste lands for agricultural purposes in* (a) *rural areas, and* (b) *urban areas*: The procedure for allotment of such lands (for instance, by auction to the highest bidder or by allotment either on an *ad-hoc* basis or in accordance with a prescribed order of priority), the terms and conditions of the lease and the level of rents show considerable variations from State to State. The Committee is of the view that the procedure for such allotments and the rights and obligations of the allottees should be rationalised in the light of the objectives which have been mentioned earlier.

Auction of land to the highest bidder is obviously an undesirable method because it may raise the price paid to an uneconomic level on account of land hunger and would not make for a more equitable distribution of land. In order that the allottee may not start with a handicap and may be left with financial resources for efficient cultivation, we suggest that lands should not be auctioned. A nominal premium may, however, be charged to cover the cost of allocation and demarcation of the land.

Allotment of land should be made in suitable lots in the same order of preference which applies to transfer of land. Where more applicants than one belonging to the same category apply for the land, efforts should be made to arrive at mutual agreement. If there is no agreement lots may be drawn.

As regards the terms and conditions the Committee feel that the allottees should have the obligation to bring the land under cultivation within a period not exceeding 5 years as may be fixed by the State Government with regard to the condition of the land allotted. The allottee should have no right to transfer the land or to lease it within a period of 10 years from the allotment. He should, however, have the right to mortgage the land in order to obtain credit from a Cooperative Society or the State Government.

The same conditions would apply to allotment of land for agricultural purposes in urban areas also but the allottee should have no right to use the land for a non-agricultural purpose and provision may also be made for assessment of revenue at higher rates in accordance with the economic conditions in the urban areas concerned.

There are marked variations in the rights of existing allottees of Government lands. In some cases, they do not possess any security of tenure and are given only periodic leases and in some cases even leases from year to year. Some of them possess the right of transfer and others do not. We consider that such variations are undesirable and the rights of the allottees of waste lands should be such as will give them the necessary incentive and resources for efficient cultivation, subject to such obligations as may be necessary in the interest of the community as a whole. We are of the view that they should be given the same rights as mentioned above with regard to future allotments of Government lands but in cases where superior rights have already been given they need not be curtailed.

CHAPTER IV

TENANCY REFORMS

In recent years, most of the States have enacted measures for the regulation of tenancies and for conferment of rights on the tenants. The landlords consequently became anxious to get their lands back from tenants free of all encumbrances. This has resulted in large scale ejectments in recent years which, in many cases, have taken the form of 'voluntary surrenders'. Efforts for regulation of landlord-tenant relationship have thus failed and it is necessary that this relationship should be terminated forthwith by the State inter-posing itself between the tenant and the landlord. We recommend that pending the enactment of comprehensive legislation for tenancy reforms, the following steps should be taken in this direction with immediate effect :—

(*i*) Ejectment of tenants or sub-tenants should be stayed. Ejectment on grounds of non-payment of rent or misuse of land may be permitted through the due processes of law.

(*ii*) Tenants who have been dispossessed of their lands in recent years should be restored except where ejectments were made through the courts for non-payment of rent or misuse of land. 'Voluntary surrenders' result mainly from landlord's influence and the tenants' low bargaining power. All such surrenders should be treated as cases of ejectments and restoration provided for.

(*iii*) All tenants should come into direct relation with the State which should undertake the obligation to recover fair rents from the tenants and pay it to the landlord after deducting the cost of collection.

SECURITY OF TENURE

2. It has been a practice in many parts of India to confer security of tenure only on such tenants as were in continuous possession of land for a certain minimum length of time. For instance, in zamindari areas of Bihar and West Bengal sub-tenants (under-raiyats) who were in continuous possession of land for a period of 12 years were conferred the right of occupancy as early as 1928. In the ryotwari areas of Bombay and Hyderabad, protected tenancy status was conferred generally on tenants in continuous possession of land for a period of six years. A somewhat different principle was adopted in Madhya Pradesh where a sub-tenant admitted to land which is habitually leased (*i.e.* land leased for a period of 3 years in a continuous period of 5 years) acquired a right of occupancy without reference to the time period for which he had held the land. Over

large areas annual village records have not been maintained and in such cases it becomes difficult for a tenant even to establish his position. To prove continuous possession of land over a long period is a well-nigh impossible task. Moreover, in order to avoid the accrual of adverse rights, it has been a common practice with the landlords to change their tenants from time to time or change a tenant from one plot to another plot. Therefore, if conferment of security of tenure is made contingent on the tenant establishing his position over a given period or proving that the land had not been cultivated by the owner for a given period, it is likely to make tenancy law ineffective. We do not, therefore, favour the idea that security of tenure should be conferred only where long possession is established and we recommend that :—

(1) A tenant who has already held any land continuously for a period of 12 years or is in possession of land which has not been cultivated by the land owner personally at any time during a period of 12 years, should have permanent and heritable rights in the land and should not be liable to ejectment on any grounds whatsoever, not even on the ground that the landlord requires the land for personal cultivation.

(2) All other tenants should have security of tenure subject to the landlord's right to resume land *bonafide* for personal cultivation on terms and conditions described in the succeeding paragraphs.

3. *Landlord's right of resumption*—It has been urged by some that the landlord should not have any right to resume land from a tenant even on grounds of personal cultivation and they have, in this connection, given the instances of action taken in Uttar Pradesh and Delhi where all tenants and sub-tenants have been given permanent and heritable rights. They also argue that if security of tenure is made subject to the landlord's right to resume land for personal cultivation, it is likely to make the law very largely ineffective. In this connection, they refer to the case of Hyderabad where large-scale dispossession of tenants has occurred in recent years. Some others take the view that so long as property rights obtain in the land, the owner should have the right to resume land from his tenant for personal cultivation. We have given careful consideration to both the view points. We are of the view that ownership has two aspects : One relates to income from land and the other to the possession of land. Once the owner parts with the possession of land by admitting a tenant on it, his right to possession gets shared. His right to receive income from the land in the form of rental has to be protected. He cannot, however, claim absolute right to possession without due regard to the tenant's right. In this connection, we may also point out that even in the urban areas tenants once admitted to the occupation of a house cannot be ejected by the owner except under exceptional circumstances. From the point of view of agricultural production it is also necessary to ensure that there is the minimum disturbances in the possession of land. From the social point of view it appears necessary that in the

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absence of alternative employment opportunities the existing economic arrangement by which both the landlord and the tenant have some means, the landlord in the form of rent which he receives and the tenant in the form of employment and produce, should continue so long as the tenant does not acquire the landlord's interests on payment of compensation. Through this may involve hardship in certain cases it would at least ensure that neither party was rendered destitute. In view of the above considerations, we recommend as follows :—

(*a*) Every tenant should have a prior right to retain a family holding for personal cultivation. The family holding has been defined by the Size of Holdings Committee. In determining this area any land owned by him or held under permanent rights should be taken into consideration.

(*b*) The land held by a tenant in excess of a family holding may be resumed by the landlord for personal cultivation subject to the limit of a family holding.

(*c*) Any land held by a tenant which he is not entitled to retain and which the landlord is not entitled to resume; should be declared surplus to provide land for re-distribution.

(*d*) Provided that where a tenant's family comprises more than one adult worker, the tenant shall in addition to a family holding, be entitled to retain half a family holding for each additional working adult worker.

4. The family may, for this purpose, be deemed to consist of all persons who are working with the tenant on land and who, if they survived the tenant without nearer heirs would be entitled to inherit his right.

Exemptions to the above rules may be made in the following cases :—

(*i*) *Small owners* : Social considerations demand a more careful balancing of the rights of the small owners and their tenants. A small owner may be defined as a person who owns less than a family holding. He should be permitted to resume (including the area already held under personal cultivation) half the area owned by him but not less than the floor which will be 1/3rd of the family holding where this would reduce the tenant's holding to less than the floor the Government should, before permitting resumption, allot to the tenant out of the surplus land, an area which will make up his holding up to the floor.

(*ii*) *Persons suffering from a disability* : Where a person was obligated to lease the land, he should have the prior right to land for personal cultivation to the extent he can cultivate with his own labour together with the labour of his family members and occasional assistance of hired labourers. For this purpose,

the person may be presumed to be suffering from a disability if he belongs to any one of the following categories :—

(*a*) unmarried women;

(*b*) widows;

(*c*) Minors;

(*d*) persons suffering from mental or physical disability; and

(*e*) persons serving in the Armed Forces.

If in the family of such a person there is an adult worker capable of engaging in cultivation, he should not be presumed to be suffering from a disability.

Where as a result of resumption by a person suffering from a disability, the tenant is left with less than a minimum area, he should have the first preference to allotment of land out of the surplus area to the extent it may be necessary to make up his holding up to the minimum area.

5. In order to remove uncertainty and to stabilise the position of tenants, the areas which the landlord is entitled to resume and the areas to be retained by the tenants should be demarcated in as short a period as possible. A period of, say, 6 months should be prescribed during which the owner shall be required to apply for reservation of land which is to be resumed.

In demarcating the resumable and the non-resumable area, the tenant in possession should have the right to select the area which he is entitled to retain. The tenant should select the area in the following order of priorities—

(*a*) land owned by him, if any, and which he is entitled to retain;

(*b*) land held by him from substantial holders;

(*c*) land held by him from medium holders; and

(*d*) land held by him from small holders.

The land owner will then select the land for resumption out of the remaining area up to the limit mentioned above. The excess land, if any, will then be declared surplus.

Condition for Resumption

The right of resumption will, in all cases, be subject to the condition that the income from the land to be resumed will be the main source of the owners' income.

Period of Resumption

The substantial owner shall exercise the right to actually resume the land by ejectment of the tenant within 3 years, and in cases where the owner suffers from a disability within 3 years of the termination of the

disability, failing which the right of resumption will lapse. In the case of small owners, the right can be exercised within 3 years, but if it is not thus exercised, the lease shall be deemed to be renewed for 5 years, for successive period of the right of resumption being available at the end of each five year period.

Rights of Tenants in the Non-resumable area

6. In respect of non-resumable area, the tenants should have the right of permanent and heritable possession. They should also have all the other rights and obligations recommended in an earlier section for the owners.

Rights in the Resumable area

7. With regard to the resumable area, pending its resumption by the landlord, the tenant may have heritable but not permanent rights together with a right to make improvements. He should be entitled to compensation if it is undertaken with the Government's consent. He should not, however, have a right of transfer, mortgage or exchange.

Definitions of 'personal cultivation' and 'tenant'

8. The definition of the expression 'personal cultivation' adopted in various States is contained in annexure III. It will be observed that in all cases personal cultivation admits of cultivation through servants or hired labourers. In the Bombay definition, there are two conditions attached, namely, (*i*) cultivation through hired labour should be done under the personal supervision of the occupant or the personal supervision of any member of his family; and (*ii*) the servants can be paid in cash or kind, but not in crop share.

Definitions adopted in Mysore, Madhya Bharat, Saurashtra, Ajmer and Vindhya Pradesh are similar to the definitions adopted in Bombay with minor variations of details.

In Rajasthan, supervision through manager or an agent is also allowed.

In Punjab, land would be regarded as personally cultivated even if payment is made as a share of the produce provided that the cultivation is carried under the occupant's supervision.

In PEPSU, even the condition of supervision is not included.

Defective definitions of the expressions 'personal cultivation' and 'tenant' have in many cases, rendered the tenancy law very largely ineffective. Many people who had never engaged themselves in actual operation of cultivation and in some cases were living in distant towns, have resumed land by ejecting tenants on the ground of personal cultivation and got the lands cultivated by hired labour or through partners remunerated by a share of the produce. Crop-sharing arrangements tend to absenteeism and should, therefore, be discontinued. Besides, the crop-sharing tenants appear to blend by small gradations into partners and labourers

remunerated in a share of the produce, and in border line cases it becomes difficult to decide whether a particular arrangement is a lease or not. In some States, crop-sharing arrangements which have all the characteristics of tenancies, are not considered as leases and no rights have, therefore, accrued to the crop-sharers. The expressions 'personal cultivation' and 'tenant' need to be defined more precisely than is generally done.

The principal constituents of personal cultivation are :—

(*a*) *Risk of cultivation* : The cultivator should meet the entire risk of cultivation. Where he shares the risk with another person, who receives a share of the produce as his remuneration, the latter has an apparent motive for cultivating the land to the best of his capacity. It is common practice for the land-owner to leave the entire management of land to him and become an absentee. As in the definition adopted in Bombay and some other States, the owner should, therefore, bear the entire risk of cultivation.

(*b*) *Personal Supervision* : By the owner or a member of his family cannot be effectively exercised without residence in the village or in a contiguous village during the major part of the agricultural season.

(*c*) *Labour* : A *bonafide* cultivator is one who engages himself in the principal agricultural operations, such as ploughing, sowing and harvesting. Performance of minimum labour should, therefore, be included in the definition of personal cultivation.

9. When a person resumes land for personal cultivation by ejecting a tenant, he should be required to fulfil the conditions of personal cultivation outlined above. If he fails to satisfy any one of these conditions, the land should revert to the tenant or the State, as the case may be.

It would, however, be difficult to apply these conditions to all existing arrangements in areas where the definition of personal cultivation is less complete and worker who receives the bulk of his remuneration in the form of a share of the produce is not regarded as a tenant. In such cases, the arrangement should not be considered a lease if the owner also engages in the work of cultivation and performs minimum labour. If he does not do so, it is a lease and tenancy rights should accrue.

Where an owner meets the entire risk of cultivation but does not reside in the village and exercises personal supervision effectively, he should have an opportunity to take up residence in village. With regard to future arrangements, while the three conditions described above represent the goal which should gradually be achieved, it is not necessary at this stage to insist upon the performance of minimum labour provided the owner meets the entire risk of cultivation, resides in the village and personally supervises agricultural operations.

Fair Rents

10. Rents should be brought down to the level of one-sixth of the produce or value thereof by the end of the Second Five Year Plan period. As the State will undertake the responsibility to collect rents, it will be necessary for administrative convenience to commute produce rents into fixed money rents as speedily as possible. In the determination of rents, increase in produce resulting from an improvement made by the tenant at his own expense should not be taken into account.

Ownership for Tenants

11. In the foregoing paragraphs, we have suggested that all tenants should be brought into direct relationship with the State with immediate effect. As soon as it may be feasible and keeping in view the level of rent and the financial obligations involved, the State Governments may buy out the landlord's interests on payment of compensation. In determining the rate of compensation, the aggregate net increase in revenues accruing to the State (*i.e.* fair rent *minus* land revenue *minus* collection charges) over a period not exceeding 20 years may be taken into consideration. Graded rates of compensation might also be considered. The compensation may be paid in the form of bonds redeemable over a period of 20 years. The tenant's liability to pay fair rent should continue so long as it may be necessary for enabling the State Government to meet the liability for payment of compensation. At the end of the period the State Government may review the position, and if necessary, require the tenants to pay land revenue only. Since acquisition of ownership rights would by this method take about 20 years or so tenants should so have the right voluntarily to purchase ownership at a reasonable price to be prescribed by law.

CHAPTER V

ADMINISTRATIVE AGENCY

We have referred earlier to the main difficulties in the effective implementation of land reforms, which arise from :—

(*i*) Ignorance of the people about the provisions of the land reform laws enacted from time to time;

(*ii*) Lack of proper records;

(*iii*) Lack of proper administrative agency and in some cases a certain degree of pro-landlord bias in the agency where it exists; and

(*iv*) The weak economic and social position of the tenants.

We have recommended that an immediate measure of interim nature should be taken for the stay of ejectment of tenants and for restoration of those who have been ejected through so called 'voluntary surrenders' or in any other manner except by an order of a court on the ground of failure to pay rent or misuse of land. The principles on which comprehensive measures of land reforms should be based, have also been described. Even the most carefully considered law will, however, fail to achieve its object unless it is supported by firm and thorough-going administrative action. Problems relating to administrative organisation should, therefore, receive immediate attention.

2. The first Plan emphasised the necessity of an organisation at the village level deriving its authority from the village community and charged with the responsibility of implementing land reform measures and of undertaking programmes of village development. It visualised cooperative village management as the ultimate pattern of rural economy, which necessarily implies administrative decentralisation and entrusting village panchayats with a wide variety of economic functions. With regard to land reform measures, in particular, it had been clearly indicated that village panchayats should be the agency for enforcing them.

3. While village panchayats have been established in over half the country and entrusted with a wide variety of civic, administrative and development functions, there is considerable reluctance to give them administrative responsibility or even to associate them with the maintenance of land records and the implementation of land reform measures, which involve adjudication of disputes between various parties interested in the land. The main objection to making the village panchayat the basic unit at the village level for revenue administration arises from the fact that many of the existing panchayats are divided by factions and, therefore, incapable of administering justice without bias. In some cases, they are not truly representative of the various interests in the village, such as, owners, cultivators,

landlords, tenants, agricultural labourers and artisans and are dominated by one class or the other or by factions. It is also urged that the village panchayats lack the necessary ability and administrative or judicial experience. While we do not wish to minimise these difficulties, it may be observed that they can, to a certain extent, be urged against any democratic institution and that a real solution can be found only if we are prepared to take the necessary risk in the early stages with the conviction that a body representative of the people as a whole should be able to make an equitable adjustment between various interests.

4. With regard to difficulties arising from the fact that village panchayats are divided by factions or do not truly represent the various interests in the villages, we would suggest that the difficulties can be met by—

(*i*) the provision that the village panchayats may co-opt additional members to find adequate representation to various classes of interests involved, such as, tenants, agricultural labourers etc; and

(*ii*) by gradation of panchayats into grades A, B and C as recommended by the Congress Panchayat Committee.

The village panchayats which have been elected on a unanimous basis and thus command confidence of the whole community and such other panchayats as possess the necessary competence would be placed in grade 'A'. These panchayats would undertake all the functions with regard to the implementation of land reform measures, namely—

(*i*) association with the work of maintenance of land records;

(*ii*) making leases of land in all cases where the owner is unable to cultivate the land himself and desires that it may be let out for cultivation;

(*iii*) association with the determination of surplus lands;

(*iv*) association with the re-distribution of surplus lands;

(*v*) allotment of waste lands; and

(*vi*) where land is being transferred by an owner by sale, the selection of the transferee to whom the land may be transferred.

The other panchayats can be graded into class 'B' or 'C' according to their experience and competence and could be given lesser powers to begin with. It would, however, be desirable to associate these village panchayats also with the preparation and maintenance of records. A sustained effort should, however, be made to give these panchayats the necessary training and support so that they become competent to discharge wider responsibilities. We consider it necessary that there should be representative bodies at higher levels to give necessary support to the village panchayats and to exercise general supervision over their work. It is not, however, necessary to enter into details as the whole question of village organisation is being considered by the Committee on Problems of Re-organisation.

5. Judicial functions relating to the enforcement of land reform measures, comprise :—

(i) disputes regarding tenancies;

(ii) disputes regarding possession of land;

(iii) disputes regarding commutation;

(iv) appeals arising out of correction of records;

(v) cases regarding arrears of rent;

(vi) ejectment of tenants;

(vii) ejectment of trespassers;

(viii) restoration of possession to tenants; and

(ix) fixation of the price of lands where lands are transferred.

6. The ultimate objective is that these cases should be dealt with in the village itself by Nyaya Panchayats. For this purpose Nyaya Panchayats should be established, where they do not already exist, as speedily as possible. They should be graded according to their experience and ability in the same manner as has been suggested for village panchayats. Specially selected judicial panchayats could, perhaps, be immediately vested with all these functions. The State Governments may in the light of their own land reform legislation and local conditions draw up lists of cases which can be dealt with by nyaya panchayats of various grades. Where the decision of a particular category of cases cannot be entrusted to panchayats, they should be encouraged to consider and determine facts and their findings on facts should be subject to confirmation by the revenue or civil courts. The civil or revenue courts would naturally have the power to alter the findings of facts made by the nyaya panchayats on recording further evidence where they consider it necessary. We have already referred to the absence of land records in some States; in some others the records exist but do not contain entries regarding tenants. It is essential that up-to-date land records should be prepared as a measure of top most priority and they should contain full particulars about the mode of cultivation of land, the terms and conditions of tenancies, and the names of the actual tillers of land. The progress of work in this connection should be carefully watched and facilities given to State Governments where necessary to complete the preparation or revision of records as soon as possible. Besides, the records frequently contain errors which lead to much litigation. The preparation or revision of such records is the first step in the enforcement of any measure of land reforms. Unfortunately during the preparation or revision of records false claims are often made by different parties. It has been our experience that in such cases the best evidence of the actual fact of possession can be obtained only in the village. It is easy for a few villagers to suppress facts before a Revenue Officer who is far away from the village

but it is extremely difficult for them to behave in the same manner in the presence of the whole body of villagers. The usual practice for the preparation of such records is for the lowest revenue official, *i.e.,* the village patwari or talati to prepare such a record in the first instance by enquiries in the village and then for his immediate superior officer to attest it. If a person is dissatisfied with the result he can appeal to a higher revenue officer who after making such enquiries as he thinks fit passes an order, which then becomes final. In one State where this procedure was being followed, we noticed that numerous complaints of corruption were made against the lower staff which was responsible for preparing the initial entry and attesting it. The complaints were to the effect that once a wrong entry was made initially, the tenants found great difficulty in getting it reversed. It struck us that if in the case of such disputes parties had a chance of hearing in the village itself from a representative village body, there would be much less changes of injustice. This body would be the village panchayat or where the panchayat represents a number of villages, a sub-committee of the panchayat consisting of the members of belonging to the village. This village body could hear the dispute, record the evidence and give a finding as to the merits. The aggrieved party could then appeal in the usual manner. Such a procedure is likely to result in the truth being ascertained and will provide a remedy to the aggrieved party in the village itself and give him the satisfaction of receiving a finding at the hands of his own people. Opportunity for correcting the findings of the village body remains through the right of appeal. There is a common complaint that the patwari, who in the existing system is primarily responsible for the maintenance of records has been a target of criticism throughout rural India. The village records being in his hands, there are complaints to the effect that he is in a position to manipulate them and this authority enables him to accept illegal gratification and exercise undue control and authority over the rural people. These complaints can also be removed if the village body is actively associated with the revision of records and with their proper maintenance from year to year. To ensure correctness of records in future we recommend the adoption of the procedure which has recently been initiated in U.P. namely, that a copy of the record showing the possession of land should be maintained with the village panchayat and all subsequent changes with regard to possession of land should be communicated to the panchayats as well as to the affected parties.

7. In this context, we may recapitulate briefly the tenancy reform measures recommended by us. We have recommended as an immediate interim measure the stay of ejectment of tenants and restoration of ejected tenants. We have also indicated the principles upon which comprehensive tenancy reform laws should be based and that when such laws have been enacted, the tenants should be brought into direct relationship with the State. The following paragraphs contain a brief account of the action which we contemplate for their implementation.

8. As soon as the interim law for the stay of ejectments has been enacted, ejectments under the law would stop. As we stated earlier, dispossession of tenants takes place mainly as a result of 'voluntary surrenders'. Unless effective steps are taken to prevent these surrenders, it is feared the whole law may become ineffective. It is true that a provision for restoration of tenants which will apply to cases of surrenders also will, to some extent, discourage surrenders. It will not, however, wholly prevent them as is borne out by the present experience. It will, therefore, be necessary to provide in the law that no one shall surrender land and no landlord shall accept surrender from a tenant pending the enactment of the comprehensive law. If any tenant for certain economic reasons is meanwhile unable to cultivate the land, he may surrender it to Government which should have the authority to settle a new tenant on it.

9. Restoration of tenants will present a much more difficult task. The law should provide for restoration on application as well as *suo moto* by the revenue authority. If restoration is to be made only on the application of a tenant, it is feared that due to the influence of the landlord many tenants may not come forward with applications. *Suo moto* action, is, therefore, necessary. To enable the revenue administration to take *suo moto* action, we suggest that while the record-of-rights is being prepared, information should also be collected regarding the tenants who had been dispossessed of lands. As the village panchayats will be associated with the preparation of records, it should be comparatively easier to collect this information. A further difficulty may be experienced where a landlord after ejecting a tenant has admitted another tenant. We suggest that in such cases restoration of tenants may not be insisted upon provided the new tenant has been admitted *bonafide* and is not merely a relation or a friend or a dependent admitted with a view to avoid the provisions of the law. If, however, the new tenant has, thus, acquired an area exceeding, say, a family holding, the ejected tenant could be admitted to the land held by the new tenant, in excess of the family holding.

10. *Pari passu* with the preparation of the record-of-rights, the State Governments will also take action for the enactment of a comprehensive law so that by the time the record-of-rights has been prepared, the comprehensive law is also brought on the anvil. The tenants should then be brought into direct relationship with the State which should collect fair rent from them and pay it to the landlord after deducting a collection charge. The stage will then be reached for the demarcation of the resumable and non-resumbale areas. The demarcation of these areas, and all other disputes relating to tenancy rights, will, as stated earlier, be the responsibility of the judicial panchayats.

11. We have mentioned earlier that the ignorance of the people of the provisions of the land reform law constitutes a major factor contributing to the ineffectiveness of the law. It is necessary, therefore, that deliberate efforts

should be made to inform the people about the contents of law. The revenue staff and the village panchayats are the principal agencies which could be utilised for this purpose. The provisions of the land reform law should be rendered in a simple language which the subordinate staff and the 'panches' could understand. Small pamphlets containing the provisions of the law should be widely distributed. Seminars in rural areas may also be organised where these provisions be freely discussed. The local vernacular press should be encouraged to give wide publicity to the provisions. Where necessary, special agencies should be created for this purpose.

ANNEXURE I

STATEMENT 1

Compensation and rehabilitation grants payable to Intermediaries in the various States

S. No.	State	Rate of Compensation		Estimated amount of compensation (in crores)		
				Compensation	Rehabilitation grant	Total
(1)	(2)	(3)		(4)	(5)	(6)
1.	Andhra ..	.. If the basic annual sum* of an estate does not exceed Rs. 1,000	30 times the basic annual sum	8·0	..	8·0
		Exceeds Rs. 1,000 but not Rs. 3,000 ..	25 ,, ,, ,,			
		,, Rs. 3,000 ,, Rs. 20,000 ..	20 ,, ,, ,,			
		,, Rs. 20,000 ,, Rs. 50,000 ..	17 1/2 ,, ,, ,,			
		,, Rs. 50,000 ,, Rs. 100,000 ..	15			
		,, Rs. 100,000 ..	12 1/2 ,, ,, ,,			
2.	Assam ..	.. If the net income of an intermediary does not exceed Rs. 1,000	15 times the net income	5·0	..	5·0
		Exceeds Rs. 1,000 but not Rs. 2,500 ..	12 ,, ,, ,,			
		,, Rs. 2,500 ,, Rs. 5,000 ..	11 ,, ,, ,,			
		,, Rs. 5,000 ,, Rs. 7,500 ..	10 ,, ,, ,,			
		,, Rs. 7,500 ,, Rs. 10,000 ..	9 ,, ,, ,,			
		,, Rs. 10,000 ,, Rs. 15,000 ..	8 ,, ,, ,,			
		,, Rs. 15,000 ,, Rs. 30,000 ..	7 ,, ,, ,,			
		,, Rs. 30,000 ,, Rs. 50,000 ..	6 ,, ,, ,,			
		,, Rs. 50,000 ,, Rs. 1,00,000 ..	5 ,, ,, ,,			
		,, Rs, 1,00,000 ,, Rs. 3,00,000 ..	3 ,, ,, ,,			
		,, Rs. 3,00,000 ..	2 ,, ,, ,,			

*The Scheme is to carry out first a ryotwari/settlement in the zamindari estates. The basic annual sum will consist of about one-third of the ryotwari assessment.

ANNEXURE I—*contd.*

(1)	(2)	(3)		(4)	(5)	(6)
3.	Bihar ..	.. If the net income of an intermediary does not exceed Rs. 500	20 times the net income	158·0	..	158·0
		Exceeds Rs. 500 but not Rs. 1,250 ..	19 ,, ,, ,,			
		,, Rs. 1,250 ,, Rs. 2,000 ..	18 ,, ,, ,,			
		,, Rs. 2,000 ,, Rs. 2,750 ..	17 ,, ,, ,,			
		,, Rs. 2,750 ,, Rs. 3,500 ..	16 ,, ,, ,,			
		,, Rs. 3,500 ,, Rs. 4,250 ..	15 ,, ,, ,,			
		,, Rs. 4,250 ,, Rs. 5,000 ..	15 ,, ,, ,,			
		,, Rs. 5,000 ,, Rs. 10,000 ..	10 ,, ,, ,,			
		,, Rs. 10,000 ,, Rs. 20,000 ..	8 ,, ,, ,,			
		,, Rs. 20,000 ,, Rs. 50,000 ..	6 ,, ,, ,,			
		,, Rs. 50,000 ,, Rs. 1,00,000 ..	4 ,, ,, ,,			
		,, Rs. 1,00,000 ..	3 ,, ,, ,,			
4.	Bombay ..	.. Rates of compensation vary according to the nature of tenure. (*i*) In many cases, as in the Bombay Talukdari Tenure Abolition Act, 1949, the compensation will be fixed under the provisions of the Land Acquisition Act, 1894, (*ii*) in case of Khoti Abolition Act, 1949, it is Rs. 2 per 100 acres to Rs. 5 per 100 acres, (*iii*) in the case of Maloki Tenure Abolition Act, 1949, it is 3 times the net income, (*iv*) in the case of Bombay Service Inams (useful to community) it is equal to 10 times the land revenues.		4·0	..	4·0
5.	Madhya Pradesh	.. 10 times the net income of an estate and Rehabilitation grants on the following scale :—		4·9	0·1	5·0
		When the aggregate sum* does not exceed Rs. 25	Rs. 150			
		Exceeds Rs. 25 but not Rs. 40	6 times the aggregate sum			
		Exceeds Rs. 40 but not Rs. 60	Rs. 240 or 5 times the aggregate sum whichever is greater.			

6.	Madras ..	.. If the basic annual sum of an estate does not exceed Rs. 1,000	30 times basic annual sum	6·0	..	6·0
		Exceeds Rs. 1,000 but not Rs. 3,000 ..	25 ,, ,, ,,			
		,, Rs. 3,000 ,, Rs. 20,000 ..	20 ,, ,, ,,			
		,, Rs. 20,000 ,, Rs. 50,000 ..	17 1/2 ,, ,, ,,			
		,, Rs. 50,000 ,, Rs. 1,00,000 ..	15 ,, ,, ,,			
		,, Rs. 1,00,000 ..	12 1/2 ,, ,, ,,			
7.	Orissa ..	.. On the first Rs. 500 of the net income of an estate.	15 times the net income	9·0	..	9·0
		On next Rs. 3,500 ,, ,, ,, ..	13 ,, ,, ,,			
		,, Rs. 3,000 ,, ,, ,, ..	10 ,, ,, ,,			
		,, Rs. 3,000 ,, ,, ,, ..	7 ,, ,, ,,			
		,, Rs. 15,000 ,, ,, ,, ..	5 ,, ,, ,,			
		,, Rs. 15,000 ,, ,, ,, ..	4 ,, ,, ,,			
		On the balance	3 ,, ,, ,,			
8.	Uttar Pradesh ..	.. 8 times the net assets of an intermediary and Rehabilitation grant on the following scale :—				
		In the land revenue of all the estates of an intermediary is upto Rs. 25	20 times the net assets	75·0	75·0	150·0
		Exceeds Rs. 25 but not Rs. 50 ..	17 ,, ,, ,,			
		,, Rs. 50 ,, Rs. 100 ..	14 ,, ,, ,,			
		,, Rs. 100 ,, Rs. 250 ..	11 ,, ,, ,,			
		,, Rs. 250 ,, Rs. 500 ..	8 ,, ,, ,,			
		,, Rs. 500 ,, Rs. 2,000 ..	5 ,, ,, ,,			
		,, Rs. 2,000 ,, Rs. 3,500 ..	3 ,, ,, ,,			
		,, Rs. 3,500 ,, Rs. 5,000 ..	2 ,, ,, ,,			
		,, Rs. 5,000 ,, Rs. 10,000	1 ,, ,, ,,			
9.	West Bengal ..	.. On the first Rs. 500 of net income of an intermediary	20 times the net income	22·0	..	22·0
		On the next Rs. 500 Do.	18 ,, ,, ,,			
		,, Rs. 1,000 Do.	17 ,, ,, ,,			
		,, Rs. 2,000 Do.	12 ,, ,, ,,			
		,, Rs. 10,000 Do.	10 ,, ,, ,,			
		,, Rs. 15,000 Do.	6 ,, ,, ,,			

*The aggregate sum payable by a proprietor is to comprise : (*a*) land revenue payable for his proprietory share in the estate, mahal, alienated village land ; (*b*) land revenue payable on the portion of the homefarm land retained by him and (*c*) land revenue or rent payable on any lands by him in the estate.

ANNEXURE 1—*contd.*

(1)	(2)	(3)	(4)	(5)	(6)
		On the next Rs. 80,000 of net income of an intermediary 3 times the net income			
		On the balance .. .. 2 ,, ,, ,,			
10.	Hyderabad (for the abolition of Jagirs)	If the basic annual revenue of a Jagir* is upto Rs. 2,000 or less. 30 times the basic annual sum	18·0	..	18·0
		Exceeds Rs. 2,000 but not Rs. 5,000 25 ,, ,, ,,			
		,, Rs. 5,000 ,, Rs. 25,000 20 ,, ,, ,,			
		,, Rs. 25,000 ,, Rs. 50,000 17 1/2 ,, ,, ,,			
		,, Rs. 50,000 ,, Rs. 1,00,000 15 1/2 ,, ,, ,,			
		,, Rs. 1,00,000 ,, Rs. 2,00,00 12 1/2 ,, ,, ,,			
		,, Rs. 2,00,000 10 ,, ,, ,,			
11.	Madhya Bharat	... (a) *Zamindars.* 8 times the net income and rehabilitation grant on the following scale :—	6·0	2·5	8·5
		If the land revenue payable by a proprietor does not exceed Rs. 25 18 times the net income			
		Exceeds Rs. 25 but not Rs. 50 10 ,, ,, ,,			
		,, Rs. 50 ,, Rs. 100 8 ,, ,, ,,			
		,, Rs. 100 ,, Rs. 250 6 ,, ,, ,,			
		,, Rs. 250 ,, Rs. 500 4 ,, ,, ,,			
		,, Rs. 500 ,, Rs. 2,000 2 ,, ,, ,,			
		,, Rs. 2,000 ,, Rs 3,500 1 ,, ,, ,,			
		,, Rs. 3,500 .. .. *Nil*			
		(b) *Jagirdars.* 7 times the net income	1·4	..	4·4
12.	Mysore	.. .. ..	1·3	..	1·3

13.	Rajasthan ..	.. 7 times the net income of a Jagirdar and rehabilitation grant on the following scale :—		22·0	included under 4	22·0
		If the gross income of a Jagirdar does not exceed Rs. 250	11 times the net income			
		Exceeds Rs. 250 but not Rs. 500 ..	10 ,, ,, ,,			
		,, Rs. 500 ,, Rs. 1,000 ..	9 ,, ,, ,,			
		,, Rs. 1,000 ,, Rs. 2,000 ..	8 ,, ,, ,,			
		,, Rs. 2,000 ,, Rs. 3,000 ..	7 ,, ,, ,,			
		,, Rs. 3,000 ,, Rs. 4,000 ..	6 ,, ,, ,,			
		,, Rs. 4,000 ,, Rs. 5,000 ..	5 ,, ,, ,,			
		,, Rs. 5,000 ,, Rs. 20,000 ..	4 ,, ,, ,,			
		,, Rs. 20,000 ,, Rs. 30,000 ..	3 ,, ,, ,,			
		,, Rs. 30,000 ,,	2 ,, ,, ,,			
14.	Saurashtra ..	..(a) Girasdars. Cash annuity for 15 years equal to the assessment on holding plus the occupancy price (equal to six times the assessment) payable by the tenants.	3 additional instalments to class B† girasdars and 6 additional instalments to class C‡ girasdars each equal to the one assessment as rehabilitation grant.	6·7	1·3	8·0
		(b) Barkhalidars. Cash annuity equal to one assessment of tenanted land for 15 years in the case of those barkhalidars who hold one or more villages and for 18 years in the case of those who hold less than one village.	*Nil*	2·2	..	2·2
15.	Ajmer ..	.. On the first Rs. 250 or less of net income	16 times the net income.	1·3	..	1·3
		,, Rs. 250 ,, ,, ,,	15 ,, ,, ,,			
		,, Rs. 500 ,, ,, ,,	14 ,, ,, ,,			
		,, Rs. 1,000 ,, ,, ,,	13 ,, ,, ,,			
		,, Rs. 3,000 ,, ,, ,,	12 ,, ,, ,,			
		,, Rs. 5,000 ,, ,, ,,	10 ,, ,, ,,			
		,, Rs. 20,000 ,, ,, ,,	8 ,, ,, ,,			
		For the balance of the net income	6 ,, ,, ,,			

*The basic annual revenue in case of all Jagirs except Jamait Jagirs (Jagirs scheduled in the Regulation for the Commutation of Jagirs) is equal to 40 per cent of the average of the 10 years annual gross revenue. In the case of Jamait Jagirs the basic annual revenue shall be equal to 32% of the average annual gross revenue.

†A Girasdar is deemed to belong to B class if the total area of agricultural land comprised in his estate exceeds 120 acres but not 800 acres.

‡A Girasdar belongs to C class if the total area does not exceed 120 acres.

ANNEXURE I—*concld.*

(1)	(2)	(3)	(4)	(5)	(6)
16.	Bhopal (in the case of perpetual Jagirdar)	On the first Rs. 1000 of net income of a Jagirdar.	15 times the net income 0·1	..	0·1
		On the next Rs. 2,000 ,, ,, ,, ...	12 ,, ,, ,,		
		,, Rs. 7,000 ,, ,, ,,			
		,, Rs. 7,000	9 ,, ,, ,,		
		On the balance of the net income	3 ,, ,, ,,		
	(In the case of Jagirdar holding Jagir during his life time)	On the first Rs. 1,000 of the net income	10 ,, ,, ,,		
		On the next Rs. 2,000 ,, ...	8 ,, ,, ,,	Cash annuity of Rs. 6 lakhs payable annually till life time of 60 Jagirdars.	
		,, Rs. 7,000 ,, ...	6 ,, ,, ,,		
		,, Rs. 10,000 ,, ...	4 ,, ,, ,,		
		On the balance of the net income	2 ,, ,, ,,		
17.	Vindhya Pradesh ..	If the net income does not exceed Rs. 1,000	15 times the net income. 2·1	..	2·1
		Exceeds Rs. 1,000 but does not exceed Rs. 5,000	12 ,, ,, ,,		
		Exceeds Rs. 5,000	10 ,, ,, ,,		
			TOTAL .. 356·0	79·0	435·0

ANNEXURE II

Financial implication of abolition of Intermediaries

(*Rs. in lakhs*)

State	Land revenue before abolition	Estimated land revenue after abolition	Increase in land revenue (3)-(2)	Decrease in revenue on other accounts	Cost of increased adminis-trative charges	Net annual increase in revenue (4)-(5)-(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Bihar	109·0	1,605·0	1,496·0	238·0	430·0(*a*)	(+)828·0
Orissa*	52·0	144·0	92·0	..	50·0	(+) 42·0
Madras* ..	45·4	75·0	29·6	..	18·0	(+) 11·6
Uttar Pradesh ..	784·0	1,950·0	1,166·0	371·0	130·0	(+)665·0
Madhya Bharat*	100·0	170·5	70·5	..	18·5	(+) 52·0
West Bengal* ..	154·0	523·0	369·0	48·0	85·0	(+)236·0

(*a*) Includes Rs. 160 lakhs on account of irrecoverables.
* Relates to intermediary areas only.

ANNEXURE III

Mode of payment of compensation to Intermediaries

State (1)	Compensation (2)	Interim compensation (3)
1. Andhra	Pending the completion of survey and settlement operations after which the compensation in respect of each estate taken over would be finally determined, the State Government shall estimate provisionally the amount of total compensation payable and deposit one half of that amount with the Estate Abolition Tribunals within 6 months from the date on which an estate is taken over as an advance payment. This payment is made in cash. When the compensation is finally determined, it shall be paid in cash after deducting the advance payments as udner : (*i*) In one lump sum if the basic annual sum does not exceed Rs. 3,000. (*ii*) In instalments not exceeding 3 if the basic annual sum exceeds Rs. 3,000 but not Rs. 50,000. (*iii*) In instalments not exceeding 5 if the basic annual sum exceeds Rs. 50,000. The rate of interest shall be 3% per annum.	In addition to advance payments, the State Government is also making interim payments in cash annually generally equal to the basic annual sum.*
2. Assam	Nearly 12-1/2%of the total amount shall be paid in cash. Payment of the balance is to be made in cash or in bonds or partly in cash or partly in bonds (negotiable or non-negotiable) in 20 equal annual instalments at 2-1/2 % rate of interest about Rs. 2·4 crores will be paid in cash out of the total amount of compensation of Rs. 5 crores.	During the first 5 years, it is proposed to pay interim compensation in cash at 2-1/2 of the total compensation (5 crores).
3. Bihar	Where the total amount of compensation is below Rs. 50, the compensation shall be payable in cash. In other cases it is to be paid either in cash or in bonds or partly in cash and partly in bonds. The bonds will be negotiable and transferable bearing interest at 2-1/2% per annum and will be redeemable in 40 equal annual instalments. It is estimated that nearly 5 crores of rupees out of Rs. 158 crores will be payable in cash.	An interim compensation at the rate of 2-1/2 % or 3% of the approximate amount of compensation according as the amount is above or below Rs. 50,000 is payable annually, till the payment or compensation commences.

*Basic annual sum is equal to one third of the gross annual ryotwari demand.

ANNEXURE III—*contd.*

(1)	(2)	(3)
4. Bombay	The compensation payable under the various Abolition Acts is to be paid in transferable bonds carrying interest at 3% and repayable during a period of 20 years by equated annual instalments except in the case of Punch Mahals Mewasi Tenure Abolition Act where it was entirely paid in cash. In other cases, small amounts not covered by the smallest denomination of the bonds will be paid in cash.	There is no provision for the payment of any interim compensation.
5. Madhya Pradesh	The entire compensation is payable in cash. Compensation up to Rs. 100 is to be paid in cash in lump sum. Payment above Rs. 100 is to be paid in annual instalments not exceeding 8 at 2-1/2% rate of interest. Rehabilitation grants up to Rs. 100/- shall be paid in cash in lump sum and in instalments there above.	There is a provision in the Act that where the amount of compensation is not paid in 6 months from the date of vesting 1/10th of the total amount will be payable as interim compensation. No interim compensation was actually required to be paid.
6. Orissa	The compensation is payable in cash in 30 annual equated instalments. Interest is payable at 2-1/2% per annum on the unpaid amount.	The legislation provides for payment of interim compensation equal to 1/30th of the estimated amount of compensation if the 1st annual payment of compensation is not made within 1 year from the date of vesting.
7. Madras ..	The compensation is payable partly in cash and partly in bonds but the proportion has not yet been fixed.	Same as in Andhra.
8. Uttar Pradesh ..	The amount of compensation amounting to Rs. 50 is to be paid in cash. Payments above Rs. 50 will be made in bonds (negotiable and transferable) redeemable in 40 equated annual instalments carrying 2-1/2% rate of interest per annum. Payment of rehabilitation grant will be made in bonds as well as in cash as in the case of compensation. In the case of Waqfs, Trusts and Endowments for religious and charitable purposes, the rehabilitation grant will be paid in the form of annuities in cash.	Interim compensation up to 2-1/2% of the total compensation will be payable if the amount of compensation is not determined within 9 months from the date of vesting. The interim compensation shall be determined according to the rules framed under the Act.
9. West Bengal ..	Compensation up to Rs. 5,000 is payable in cash. If it exceeds Rs. 5,000, it is payable partly in cash and partly in non-negotiable bonds redeemable after 20 years.	*Ad interim* compensation equal to 3-1/2 of the net annual income of an estate payable within 18 months of the date of vesting.

ANNEXURE III—*contd.*

(1)	(2)	(3)
10. Hyderabad ..	Payment is to be made in cash only when the amount of compensation does not exceed Rs. 10,000 the compensation will be payable in 10 equal annual instalments. When the amount exceeds Rs. 10,000 but the basic annual revenue does not exceed Rs. 1 lakh, it will be payable in 15 equal annual instalments. When the amount exceeds Rs. 10,000 and the basic annual revenue exceed Rs. 1 lakh compensation shall be payable in 20 equal annual instalments.	Interim compensation payable until the rates of commutation sum are determined.
11. Madhya Pradesh	Payment of compensation will be made in cash only in 10 equal annual instalments. Rehabilitation grants up to Rs. 250 will be paid in cash in lump sum, the balance of rehabilitation grant, if any, will be paid in yearly instalments not exceeding 10. The final decision regarding rehabilitation grants has not yet been taken.	If within 1 year from the date of vesting the compensation is not determined interim compensation equal to 1/10th of the estimated amount of compensation will be payable.
12. Rajasthan ..	Compensation will be given in cash or in bonds or partly in cash and partly in bonds as may be prescribed in the Rules. Information is not available regarding whether the details have been finalized.	If within 6 months from the date of vesting, this compensation and rehabilitation grant payable are not determined, interim compensation equal to 1/10th of the estimated amount of compensation and rehabilitation grant will be payable.
13. Saurashtra ..	Only cash annuities are payable.	
14. Ajmer	In cash in annual instalments not exceeding 15.	
15. Bhopal	Payment to 15 jagirdars to be made in cash in lump sum. Payment to the remaining jagirdars is to made in cash in instalments of 3 to 9.	1/10th of the total amount will be payable as interim compensation if the compensation is not determined within 1 year from the date of resumption of jagirs.
16. Vindhya Pradesh	Compensation amounting to Rs. 500 or less is payable in lump sum in cash. Compensation exceeding Rs. 500 is to be paid in bonds redeemable in 10 annual instalments and bearing interest at 3-1/2%.	If within 9 months from the date of resumption the amount of compensation is not determined, interim compensation equal to 1/10th of the estimated amount of compensation will be payable.

ANNEXURE IV

Tenants Right of Purchase

Name of State	Position at the end of 1950-51	Position in 1955-56			
		Class of tenants entitled to purchase	Conditions of purchase	Purchase price	Mode of payment
(1)	(2)	(3)	(4)	(5)	(6)
Bombay	Optional right of purchase as at present with the exception that there was no provision for payment in instalments.	Protected tenants.	Tenants' right is subject to owner being left with 50 acres. Tenant cannot purchase more than 50 acres (including areas held as owner).	Price will be determined by the Land Tribunal and will in general be the average market price. (Maximum price to be fixed in case of tenants belonging to backward classes).	In lump sum or 10 instalments spread over 15 years.
	Under the Bill already passed but awaiting President's assent.	Protected tenants and ordinary tenants.	The tenants are required to purchase half the area held by them up to a maximum of 3 economic holdings. This right is not available if landlord does not possess land exceeding one economic holding and income exceeding Rs. 1,500 per year. Where a tenant fails to purchase or where he falls in arrears of more than 4 instalments he shall be ejected.	Between 20 to 200 times the assessment.	In annual instalments not exceeding 12.
		Permanent tenants.	All lands up to a maximum of 3 economic holdings.	6 times the rent.	In lump sum: In case of default the amount is recoverable as arrears of land revenue.

ANNEXURE IV—*contd.*

(1)	(2)	(3)	(4)	(5)	(6)
Madhya Pradesh ..	No right of purchase.	Optional right of purchase for occupancy tenants only.	No restriction.	7 times the rent for acquiring Bhumidar's rights and 10 *times* the *rent* for acquiring Bhumiswami's rights.	To be deposited with the application.
Punjab	No right of purchase.	Tenants of non-evacuee land with 6 years continuous possession.	The owner should be left with 30 st. acres.	3/4th of the average market value.	In six—monthly instalments not exceeding 10.
Uttar Pradesh ..	—Do.—	All sub-tenants and tenants of 'Sir' except those whose landlords suffer from some disability have been brought into direct contact with the State without any payment and may also purchase transferable (bhumidari) rights.		10 times the rent.	In lump sum or 12 times the rent if paid in four six monthly instalments.
Hyderabad ..	Protected tenants were entitled to purchase an area up to an economic holding at a price not exceeding 4 times the gross produce.	Protected tenants.	No right of purchase if the owner holds 2 family holding or less. If he owns more than 2, a protected tenant may purchase up to one family holding subject to the owner's right of resumption.	Dry land—15 times the rent. Well-irrigated 8 times the rent. Other irrigated land—6 times the rent.	16 instalments spread over 8 years.
Madhya Bharat ..	No right of purchase.	Sub-tenants and tenants of sub-tenants in zamindari and jagirdari areas.	Within six years of the enactment.	2 to 8 times the net income of the landlord.	

Pepsu	—Do.—	All tenants of non-resumable area.		90 times the land revenue or Rs. 200/- per acre whichever is less.	Annual instl. not exceeding 6. (This right is in abeyance).
Rajasthan ..	—Do.—	All tenants other than tenants on lands which were under personal cultivation of landlord for 5 years immediately preceding the agricultural year 1948-49.	May purchase an area not exceeding a minimum holding (i.e. an area with a net annual income of Rs. 1200/-).	Unirrigated lands (including dehri, selabi and tank land) 10 times the annual rent (further subject to the conditions applicable to other irrigated lands).	In annual instl. not exceeding six.
				Well irrigated 15 times the annual rent (further subject to the conditions applicable to other irrigated lands).	—Do.—
				Other irrigated lands. In case of tenants in possession.	
				1. for not more than 6 years. 50% of the market value	—Do.—
				2. between 6 to 12 years. 35% of the market value.	—Do.—
				3. above 12 years plus cost of improvement other than well. 25% of the market value	—Do.—
Ajmer	No right of purchase.	Ex-proprietary, occupancy and hereditary tenants.	The entire area held as tenant.	12 times the annual rental value calculated at sanctioned rates applicable to hereditary tenants.	Amount to be paid within the period allowed by the Collector.

ANNEXURE IV—*contd.*

(1)	(2)	(3)	(4)	(5)	(6)
Delhi	—Do.—	All tenants and sub-tenants have been conferred ownership on payment of compensation recoverable as arrears of land revenue.		20 to 40 times the land revenue in the case of sub-tenants and tenants of 'sir'.	10 annual instalments
Himachal Pradesh	—Do.—	All tenants of non-resumable areas.	—	28 times the land revenue and rates and cesses for non-occupancy tenants.	10 instalments spread over 5 years.
Kutch	Same as in Bombay in 1950-51.	Same as in 1950-51.	—	—	—
Vindhya Pradesh	No right of purchase.	The tenant may purchase an area not exceeding 10 acres provided (a) the total holding including the area already owned and the area of land which he seeks to acquire does not exceed 30 acres, (b) the owner is left with 30 acres.	—	Fifteen times the annual rent payable by the sub-tenant.	Prescribed annual instalment not exceeding 15.

ANNEXURE V

Rates of Rent

State	Maximum rates of rent in		Remarks
	1950-51	1955-56	
(1)	(2)	(3)	(4)
Assam	A crop-sharer is not to pay more than /4th of the gross produce if he supplies ploughs, cattle etc. otherwise 1/3rd.	A crop-sharer is not to pay more than 1/5th of the gross produce if he supplies ploughs, cattle etc., otherwise 1/4th.	..
	Rent of under-raiyats :		
	(*a*) In permanently settled areas (District Goalpara) the rent payable by the under-raiyat is not to exceed in the case of an under-raiyat holding immediately under a raiyat, the rent paid by the latter to his landlord by more than 100% and in the case of an under-raiyat holding intermediately the rent payable by his under-raiyat landlord by more than 25%.	(*a*) Same as in 1950-51.	
	(*b*) In temporarily settled areas : rent by agreement.	(*b*) The cash rent is not to exceed the rent paid by the immediate landlord by more than 50%.	
Bihar	The cash rent payable by a sub-tenant not to exceed by more than 50% of the rent payable by the immediate landlord, when the rent is payable under registered lease; in other cases 25%. The produce rent was not regulated.	Same as in 1950-51.	Under the Bihar Tenancy (Amendment, Bill, 1954 the maximum produce rent is fixed at 7/20th of the gross produce excluding the Bhoosa.
Bombay ..	In the case of irrigated land 1/4th of the gross produce; in the case of any other land 1/3rd of the produce.	1/6th of the gross produce	Under the Tenancy (Amendment) Bill, 1955 the rent is not to exceed 5 times the land revenue. The tenant will in addition have to pay the land revenue for his holding. The total payment shall not exceed 1/6th the gross produce

ANNEXURE V—*contd.*

(1)	(2)	(3)	(4)
Madhya Pradesh	Rents not regulated.	In Berar, the rent is not to exceed 5 times the land revenue. In other areas, the rents are not regulated.	
Orissa	The cash rent payable by a tenant is not to exceed by more than 50% of the rent payable by the immediate landlord, when the rent is payable under registered lease; in other cases 25%. The produce rent was not to exceed half the gross produce.	The position regarding cash rent is the same as it was in 1950-52. The produce rent is not to exceed 1/4th of the gross produce or the value thereof subject to a maximum of 4 mds. of paddy per acre in case of dry land and 6 mds. in case of wet lands.	
Punjab ..	Rents not regulated.	1/3rd of the gross produce.	
Madras ..	*Malabar*		
..	For wet lands—1/2 of the net produce plus of the annual assessment. For dry land—3 times the annual assessment.	For west land—Half the net produce and no payment of assessment. For dry lands—3 times the annual assessment.	
	Tanjore District		
	Not regulated.	3/5th of the gross produce of the principal crop or crops.	
	Other areas		
	Not regulated.	Not regulated.	
Uttar Pradesh..	Rents payable by sub-tenants was not to exceed 13311/3 per cent of the hereditary rent rate.	Rent payable by sub-tenants is not to exceed twice the hereditary rent rate.	
West Bengal ..	Crop-sharers using their own bullocks are required to pay about 1/3rd of the gross produce to the landlord (after making an allowance for seed) and 2/3rd where bullocks and implements etc. are provided by the landlord. In case of the under-raiyats, the rents are not regulated but if a landlord applies for enhancement, the enhanced rent, if payable in cash, is not to exceed 1/3rd of the value of the gross produce, and, if payable in produce 1/2 of such produce.	Same as in 1950-51.	Under the West Bengal Land Reforms Bill, 1955 the produce of the land is to be divided between the landlord and Bargardar in the ratio of 50 : 50 when the landlord contributes the cost of cultivation and 40 : 60 when the Bargardar meets the cost of cultivation. Provisions relating to under-raiyats remain unchanged.

ANNEXURE V—*contd.*

(1)	(2)	(3)	(4)
Jammu & Kashmir	Rent not regulated.	If the landlord holds cultivated land exceeding 12-1/2 acres, the rent shall not exceed 1/4th the gross produce in case of wet land and 1/3rd in case of dry land. If the landlord holds 12-1/2 acres or less the rent is not to exceeds 1/2 the gross produce.	
Hyderabad ..	In the case of irrigated land (except land under wells)—1/3rd of the produce; in the case of unirrigated land or land under wells—1/4th of the produce.	In the case of irrigated land (except land under wells)—1/4th of the produce; in the case of other lands—1/5th of the produce. Provision has also been made for payment of rent in terms of multiples of assessment varying between 3 to 5 times depending upon the class of soil.	
Madhya Bharat	Rents of existing subtenants were not regulated; rents of subtenants admitted in future fixed at twice the assessment.	Same as in 1950-51.	
Pepsu	Rents not regulated.	1/3rd the gross produce.	
Rajasthan ..	The rate of rent ranged between 1/2 to 1/8 of the produce according to the nature of tenancy.	1/6th of the gross produce.	
Mysore ..	Rents not regulated.	1/3rd of the produce in Maidan areas and 1/4th of the produce in Malnad areas of the State.	
Travancore-Cochin ..	Rents not regulated	Rents not regulated.	Under the Verum pattamdars Bill the rent payable by Verumpattom-tenants in case of nilam (Paddy) land shall be 1/4 of the gross produce; in the case of coconut gardens, 3/8th the gross produce and in the case of parambas one half of the net yield of the crops. The provisions do not apply to rents payable by waramdars (crop—sharers).

ANNEXURE V—*contd.*

(1)	(2)	(3)	(4)
Ajmer	1/8th in case of ex-proprietary tenants. 1/6th in case of occupancy tenants. 1/5th in case of other tenants. Rents of sub-tenants not regulated.	*Khalsa areas :* Same as in 1950-51. *Non-Khalsa areas:* Rents payable by sub-tenant not to exceed 1-1/2 times the assessment.	
Delhi	Rents not regulated.	Maximum rent not to exceed 1/5th of the gross produce.	
Himachal Pradesh ..	Rents not regulated.	1/4th of the gross produce.	
Kutch	Same as in Bombay 1950-51.	Same as in 1950-51.	
Vindhya Pradesh	Rents not regulated.	Cash rent not to exceed 4 times the land revenue in case of irrigated land and 2 times for other lands. Crop rents not to exceed 1/3rd of the produce in case of irrigated lands and 1/4th of the produce in case of other lands.	

In other States the rents are not regulated.

ANNEXURE VI

Definition of 'Personal Cultivation' adopted in different States

BOMBAY

'To cultivate personally' means to cultivate on one's account—

(*i*) by one's own labour; or

(*ii*) by the labour of any member of one's family; or

(*iii*) by servants on wages payable in cash or kind but not in crop share or by hired labour under one's personal supervision or the personal supervision of any member of one's family.

Explanation I.—A tenant who is a widow or a minor or is subject to any physical or mental disability shall be deemed to cultivate the land personally if it is cultivated by her or his servants or by hired labour.

Explanation II.—In the case of an undivided Hindu family, the land shall be deemed to have been cultivated personally, if it is cultivated by any member of such family.

Definition of personal cultivation as revised by the Amendment Bill of 1955 *is as follows.*

'To cultivate personally' means to cultivate land on one's own account—

(*i*) by one's own labour; or

(*ii*) by the labour of any member of one's family; or

(*iii*) under the personal supervision of oneself or any member of one's family by hired labour or by servants on wages payable in cash or kind but not in crop share, being land, the entire area of which—

(*a*) is situated within the limits of a single village; or

(*b*) is so situated that no piece of land is separated from another by a distance of more than five miles; or

(*c*) forms one compact block.

(*b*) *and* (*c*) shall not apply to any land—

(*i*) which does not exceed twice the ceiling area; and

(*ii*) up to twice the ceiling area, if such land exceeds twice the ceiling area.

Explanation I.—A widow, or a minor, or a person who is subject to physical or mental disability, or a serving member of the armed forces shall be deemed to cultivate the land personally if such land is cultivated by servants, or by hired labour, or through tenants.

Explanation II.—In the case of a joint family, the land shall be deemed to have been cultivated personally, if it is cultivated by any member of such family.

MADHYA PRADESH (Berar)

'Cultivate personally' means to cultivate on one's own account—

(*i*) by one's own labour; or

(*ii*) by the labour of any member of one's family; or

(*iii*) by servants on wages payable in cash or kind or by hired labour but not through a bataidar, and the expression 'personal' cultivation shall be construed accordingly.

Explanation.—In the case of an undivided Hindu family, the land shall be deemed to have been cultivated by all the members personally, if it is cultivated by any member of such family.

PUNJAB

'Self cultivation' means cultivation by a landowner either personally or through his wife or children, or through such of his relations as may be prescribed, or under his supervision.

HYDERABAD

'To cultivate personally' means to cultivate on one's account—

(*i*) by one's own labour; or

(*ii*) by the labour of any member of one's family; or

(*iii*) by servants on wages payable in cash or kind, but not in crop share or by hired labour under one's personal supervision or the personal supervision of any member of one's family.

Explanation.—In the case of an undivided Hindu family land shall be deemed to be cultivated personally, if it is cultivated by any member of such family.

MADHYA BHARAT

'To cultivate personally' means to cultivate on one's own account—

(*i*) by one's own labour; or

(*ii*) by the labour of any member of one's family; or

(*iii*) by servants on wages payable in cash or kind but not in crop share or by hired labour under one's personal supervision or the personal supervision of any member of one's family.

MYSORE

'To cultivate personally' means to cultivate on one's own account—

(*i*) by one's own labour; or

(*ii*) by the labour of any member of one's family; or

(*iii*) by hired labour under one's personal supervision or the personal supervision of any member of one's family, or by servants on wages payable in cash or kind but not in crop share.

Explanation I.—A tenant who is a minor or is subject to any physical or mental disability shall be deemed to cultivate the land personally if it is cultivated by his servants or by hired labour.

Explanation II.—In the case of an undivided Hindu family, the land shall be deemed to have been cultivated personally if it is cultivated personally by any member of such family.

PEPSU

The expression 'to cultivate personally' with its grammatical variations and cognate expressions means to cultivate on one's own account—

(*i*) by one's own labour; or

(*ii*) by the labour of such of one's relatives, as may be prescribed; or

(*iii*) by servants or hired labour.

RAJASTHAN

'Land cultivated personally' with all its grammatical variations and cognate expressions, shall mean land cultivated on one's own account—

(*i*) by one's own labour; or

(*ii*) by the labour of any member of one's family; or

(*iii*) by servants on wages payable in cash or in kind (but not by way of share in crops) or by hired labour under one's personal supervision or the personal supervision of any member of one's family or one's manager or agent.

Provided that in the case of a person who is a widow, or a minor or is subject to any physical or mental disability or is a member of the military, naval or air service of India or who, being a student of an educational institution recognised by the State Government is below the age of twenty-five years, land shall be deemed to be cultivated personally even in the absence of such personal supervision.

SAURASHTRA

'Cultivate personally' or any cognate expression means to cultivate on one's own account—

(*i*) by one's own labour;

(*ii*) by the labour of any member of one's family; or

(*iii*) by servants on wages payable in cash or kind, but not in a share of the crops or by hired labour, under one's personal supervision or of any member of one's family.

Explanation.—In the case of an undivided Hindu family, the land shall be deemed to have been cultivated personally if it is cultivated by any member of such family.

AJMER

'Land cultivated personally' with its grammatical variations and cognate expressions means land cultivated on one's own account—

(*a*) by one's own labour; or

(*b*) by the labour of any member of one's family; or

(*c*) by servants on wages payable in cash or in kind but not by way of share of the produce; or

(*d*) by hired labour under one's personal supervision or the personal supervision of any member of one's family.

Provided that in the case of a person who is a widow or a minor or is subject to any physical or mental disability or is a member of the armed forces of the Union, land shall be deemed to be cultivated personally even in the absence of such personal supervision.

VINDHYA PRADESH

'Personal cultivation' or 'to cultivate personally' means cultivation on one's own account—

(*a*) by one's own labour; or

(*b*) by the labour of any member of one's family; or

(*c*) by hired labour under one's personal supervision or under supervision of any member of the family, but shall not include cultivation by crop sharer.

Provided that in the case of a person who is a widow or a minor or is subject to any physical or mental disability or who is in service as a member of the armed forces of the Union of India, land shall be deemed to be under personal cultivation even without personal supervision.

Appended to the Report of the Committee on Tenancy Reform (Panel on Land Reforms)

A note on the payment of rents in kind

On page 65 of the report of the Committee on Tenancy Reform, there are references to the current practice in several States of paying rents in kind. It has been mentioned that "it will be necessary for administrative convenience to commute produce rents into fixed money rents as speedily as possible". I do not think it will be proper to commute rents in kind into rents in cash on a compulsory basis in all the States. The system of payment of rents in kind has definite advantages for the agriculturist. It is hardly proper for us to bind the ryots rigidly to the cash economy of the cities. It should be open to them to deposit a fixed portion of their produce year after year in payment of rent to the State. It is true that there will be some administrative inconvenience in following this system but it is our duty to consider the convenience of the agriculturists also. I suggest that the Government should evolve a scheme of Grain Banks in the rural areas out of the grain that is paid to the Government in lieu of rent. Landless labourers and other poorer sections of the village community should be advanced loans out of such Grain Banks at reasonable rates of interest. At present landless labourers take food grains on loan from the local money-lenders on high rates of interest. They repay these loans in kind at the time of harvest and suffer considerable economic loss in the process. I, therefore, think that the system of payment of rent in kind may be examined more fully by the Land Reforms Panel.

30th March, 1956 SHRIMAN NARAYAN

REPORT

of

THE COMMITTEE ON SIZE OF HOLDINGS

(Panel on Land Reforms)

January, 1956

PLANNING COMMISSION

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1. GENERAL

The Committee unanimously accepted the principle that there should be an absolute limit to the amount of land which any individual may hold. "Among all resources, the supply of land is the most limited and the claimants for its possession are extremely numerous. It is, therefore, obviously unjust to allow the exploitation of any large surface of land by a single individual unless other over-whelming reasons make this highly desirable. Further, in the light of the available supplies of land, labour and capital, it would be undesirable to encourage capital intensive method of production. Moreover, whatever the economies of large-scale management, they should, in the congested state of our countryside, accrue to collective or co-operative bodies of cultivators rather than an individual family. Lastly, in the context of the current socio-political climate, re-distribution of land would rather appear to be imperative." The above quotation from Prof. Gadgil's address at the Allahabad Session of the Agri-Economics Conference succinctly sums up the case for ceilings. In recent years, the Bhoodan Movement has also been instrumental in creating a large scale popular demand for re-distribution of land.

The policy of imposition of ceiling would be able to make a contribution towards fulfilling the following objectvies :

(*i*) meeting the wide-spread desire to possess land;

(*ii*) reducing glaring inequalities in ownership and use of land;

(*iii*) reducing inequalities in agricultural incomes; and

(*iv*) enlarging the sphere of self-employment.

Different members attached varying importance to these objectives and their subsequent views were influenced by the importance they attached to either one or the other of the objectives.

The Committee wished to emphasise that the principle of ceiling should be applied to other sectors of economy also with due regard to the conditions prevailing in those sectors. Though the principle of applying it specially to agriculture could be justified on several grounds, it was felt that if the State would announce its policy of application of ceilings to other sectors of the economy as well, imposition of ceiling on agricultural lands would meet with less opposition and there would be greater chances of its proving successful.

2. AREA OF APPLICATION OF THE CEILING

The next question was to decide whether the ceiling should apply to the entire owned land or to the land-owned as well as leased—under the

personal cultivation of the owner. Those who favour the view that the ceiling should apply only to lands under personal *cultivation argue that if* the tenancy legislation could secure (*i*) security of tenure, (*ii*) reasonable rents, (*iii*) option to purchase the leased land at a reasonable price, assisted by the suitable credit arrangements; for all practical purposes. The re-distribution of land would be brought about without any elaborate procedures *involving problems of acquisition, compensation*, re-distribution etc. By excluding the land leased out under tenancy from the operation of the ceiling, the area of attack would also be considerably narrowed, thereby increasing the efficacy of Governmental action. At the same time, the primary purpose of eliminating concentration of ownership and wider diffusion of land use would be secured. If the tenants, under the above circumstances, desired to become owners, they could do so as and when convenient to them. It was, however, possible that they might consider the level of rent to be slow as to make the purchase of land not an attractive proposition.

A second *approach is that the ceiling should apply to the entire* land of the owner—personally cultivated as well as given on lease. Those who argue for this policy consider the severing of the tenant-landlord relations as essential part of land reforms. They feel that as long as tenant-landlord relations exist, there is room for all manner of covert exploitation. For them, the very existence of income from rent is a sign of unsatisfactory tenurial relations. Besides, the experience of existing legislation for tenant purchase shows that only an insignificant number of tenants is able to take advantage of a merely permissive legislation of the type. Ceiling on personally cultivated land alone will perpetuate unequal ownership.

On the assumption that in respect of leased lands, positive steps will be taken to enable the tenants to become owners within a reasonable period, the Committee recommend that the ceiling should apply to owned land under personal cultivation. In determining the area under personal cultivation, all uncultivated but cultivable lands not leased to tenants, should be taken into account. Land taken on lease but not liable to resumption and land given on lease but liable to resumption should be taken in account for the purposes of ceiling.

3. LEVEL OF CEILING

The level of the ceiling is usually indicated in terms of a multiple of the 'family' or the 'economic' holding. The question whether this basic norm should be determined by reference to acreage or to income was discussed. A view was expressed that the determining criterion should be what is termed as 'plough unit' *i.e.*, the area of land which an average family could cultivate with a pair of bullocks. We are, however, of the view that family holding should ensure the *minimum income necessary for* supporting a family, which a plough unit may not always yield, although

cases could be visualised in which it could yield substantially more. Some reference to income was, therefore, considered to be necessary. According to the data on national income, the annual income per earner engaged in 'agriculture' amounts to Rs. 500. Assuming 2 to 2.5 earners in the family of an agriculturist, the annual income of an average agricultural family should come to Rs. 1,200. No unit which yielded an income less than the national average to an agricultural family could legitimately be considered as economic. On adopting this as a rough basis, we suggest that a farm which yielded a gross average income of Rs. 1,600 or a net income —including remuneration for family labour—of Rs. 1,200 and is not less than a plough unit or its multiple in area, may be considered as a family holding.

On the question of the multiple of this minimum for the purpose of determining the ceiling, there was a divergence of opinion. One view was that the ceiling should not be larger than two family holdings as defined above. One member suggested five times the family holding as the limit and another six times. The concensus of opinion was, however, in favour of three times the family holding as the limit for the ceiling. The limit should be three family holdings for an average family (as defined by us in para 4) in which the number of members does not exceed five. One additional family holding should be allowed for each additional member subject to a maximum of six family holdings.

Those who recommend a relatively low level of ceiling approach the problem from the point of view of the surplus that should be available for the purpose of re-distribution. It is argued that land must be made available, if not to every landless worker in agriculture, to the largest possible number. Ownership of even one acre of (re-distributed) land would significantly enhance the social status and the bargaining power of the landless. Land was so scarce and the claimants were so many that, in the opinion of the protagonists of low ceilings, no one was really justified in owning more than what he could cultivate by his own or family labour. Ownership of more land must result in exploitation of other people's labour. If the ceiling is placed at a high level, enough land will not be available and one of the most important objectives of land reforms, namely, meeting the wide-spread desire for the possession of land would not even be partially fulfilled.

On the other hand, those who argue for a more liberal level of ceiling, emphasise the fact that a low ceiling would inhibit investment in land and would handicap the adoption of improved methods of farming. If incomes from land are severely restricted there would be no savings and consequently, capital formation would suffer. This would mean stagnation, if not deterioration, of the economy. Besides, it should be remembered that there were other devices than that of imposition of ceiling for achieving the

objectives of land reforms and if too much strain is put on a single device, it may break.

In this connection, some relevant data from the report of the Rural Credit Survey were cited. (*See* Appendix 'A').

The data from the Rural Credit Survey indicate that any excessive diminution of the size of the operational unit of cultivation is likely to have adverse effects on the agricultural economy. It was also argued that if opportunities for earning larger-incomes from agriculture are too severely restricted, enterprising people would be reluctant to take to agriculture and the more capable people would migrate to the urban sectors. Some members argued that in the absence of any policy to restrict urban incomes, severe restriction of incomes from agriculture would mean that children born in rural families would be placed under a great handicap in the matter of education and acquisition of technical skills. Well-to-do owner cultivators as distinct from absentee landlords, have made a substantial contribution to the development of agriculture. The purpose of land reforms is to eliminate exploitation of tenants and labourers, genuine owner-cultivators should not, therefore, be deprived of their land. If special policy needed it, higher incomes could be suitably taxed, but their lands need not be taken away. Camouflaged absenteeism or spurious 'personal' cultivation could be prevented by strict definition of personal cultivation. *In any case* with the multiple of 3, it will not take the inheritance laws more than a generation to reduce the 'ceiling' cultivator to the status of an uneconomic one.

As against this, it may be asked if the 'ceiling' cultivator would become uneconomic within a generation, what will be the fate of the existing uneconomic cultivator and the landless labourer.

As for the contribution of large farms to capital formation, it was stated that a large part of this investment and capital formation was a result of State aid in the form of taccavi and other loans. It is the usual experience that the big and the large cultivators have a lion's share in the assistance provided by the Government. Secondly, if capital formation did not take place on smaller farms, it was largely due to the taxation policy of the Government under which, as is well known, the small and the big cultivators pay the land revenue at the same rate. Besides, what may be lost due to the curtailment of the size of the holding would be made good by intensive labour of the small farmers if ownership is conferred on them. A more egalitarian distribution of income may adversely affect capital formation, but will serve a more imperative need of improving the sub-human standards of living of the lowest strata of agricultural population.

We have examined the question whether in applying ceiling, the aggregate area held by all the members of a family should be taken into account or whether the land held by an individual member of a family

should be regarded as constituting a separate holding for purposes of ceilings. We are of the view that family is the real operative unit in land ownership as in land management. We, therefore, recommend that in the fixing of the ceiling, the aggregate area held by all the members of a family should be taken into account. For this purpose, a family should be deemed to consist of husband, wife and dependent sons and daughters and grand-children. Land held by married daughters and earning sons should be excluded. Where the property has already devolved on two or more heirs after the death of the parent but the property has been held in common by them undivided, the share of each heir should be regarded as a separate holding.

4. MALAFIDE TRANSFERS

It has been brought to our notice that anticipating imposition of ceilings, substantial owners are making benami transactions in favour of near relations and friends to bring their holdings within assumed limits. If such transfers are allowed, they will defeat the very object of imposition of ceilings. We would, therefore, recommend that any transfer or lease made after a given date, should be dis-regarded in determining the surplus area.

The date could be fixed by each State Government in the light of its own circumstances.

5. ACQUISITION OF THE SURPLUS; AND COMPENSATION AND METHOD OF FINANCING

The next question was to decide whether the surplus land should be (1) acquired by the State and distributed to the claimants according to some prescribed priority; (2) whether it should be requisitioned and tenants settled on it; or (3) whether the land owners should be asked to lease out the surplus to tenants of their own choice. The adoption of the third course namely, permitting the land owners to lease out the surplus lands may result in mal-practices, benami transactions and even extortion of money by the land owners from the tenants to be settled by them. It may also raise some constitutional difficulties. We do not, therefore, favour this course. If the surplus is acquired, the question of compensation and the mode of payment will arise. If, however, the surplus is merely requisitioned, the tenants could continue to pay the rent either directly to the land owners or to the State. Following alternative methods, some of which are already in existence, were mentioned :—

(1) In a number of States, legislative provisions exist empowering State Government to arrange for the cultivation of lands which have been allowed to remain uncultivated without reasonable cause for a period of over two or three years. In such cases, the State Government has the power to admit a tenant to the land. Generally the tenant has the same right as if he has been admitted by the landlord.

If this alternative was adopted, the State Government would settle the surplus land with a tenant, who would have permanent and heritable rights and would be liable to pay rent.

(2) The land could be settled with a tenant who would have permanent and heritable rights and also the right .... voluntarily to purchase the land at a reasonable price. The State could make the necessary provisions for financial assistance to the tenant to facilitate purchase of land.

In both the alternatives, mentioned above, the State Government would not acquire ownership of the surplus land immediately. In alternative (1), the land owner would remain the owner indefinitely. In alternative (2) the landlord would remain the owner until the tenant purchases his right. (3) In the third alternative, the State acquires ownership of the surplus land immediately and becomes responsible for the payment of compensation. The compensation could be paid in one of the two ways :

(*i*) the person who is admitted as tenant pays rent to the State Government and the State Government finances the compensation out of its increased revenue;

(*ii*) the person who is admitted to the land pays annual land revenue to the State and, in addition he pays instalment of the compensation over a number of years.

There were distinct differences in views, on this issue. The Committee, however, favours the adoption of the following methods :—

(*i*) The surplus land should be acquired. When the surplus is distributed, the recipients should become direct tenants. They should pay fair rent to the State as long as it may be necessary to enable the State to pay the compensation money to the land-owner.

(*ii*) The amount of compensation should in no case be more than 25 per cent of the market value and should not exceed (inclusive of interest charges) the aggregate of the increase in land revenues for 20 years. The increase in land revenue will be done to the fact that the State will be receiving fair rent from the new settlers on the surplus land which will be more than the land revenue paid by the ex-owner.

(*iii*) The compensation may be paid in bonds redeemable in about 20 years.

(*iv*) After, say, 20 years' payment of fair rent, the recipient should be declared to be a full-fledged owner, after which he will be liable to pay no more than the prevailing land revenue.

The question whether rates of compensation should vary according to the total quantum of compensation as in the case of zamindari abolition was also discussed.

Dissenting views may be summed up as below :—

(1) The land should be given free to the landless, subject to payment of land revenue.

(2) Recipients getting 1 acre or less should not be asked to pay any compensation. State may pay from its exchequer.

(3) Recipient not possessing any tenant-rights should pay land revenue plus something towards compensation but the total should be less than fair rent.

(4) Compensation should be the full value of asset *i.e.*, capitalisation of income (say fair rent in one case and net produce in others) from the asset. Amount of payment to be recovered from the beneficiaries in easy instalments aided by State sponsored credit facilities.

One member suggested that a distinction should be made between inherited and acquired or purchased land. Some other members supported this view. But it was pointed out that it would be illogical to distinguish between inherited land and other inherited, but if it was purchased from the proceeds of other inherited property, the distinction will not have any justification.

6. EXEMPTIONS

It was pointed out that the Committee may either list all possible categories of exemption and indicate its views on each of them; or merely enunciate a general principle in the light of which each State Government may determine the exempted categories. Former view was favoured.

Following categories, which could possibly qualify for exemption, were listed :

(1) Plantations—Tea, coffee, rubber;
(2) Sugar-cane farms owned by sugar factories;
(3) Orchards;
(4) Special farms such as cattle-breeding, dairy farms, sheep breeding farms etc.;
(5) Farms in a compact block;
(6) Efficient farms;
(7) Mechanised farms and farms with heavy investment.

PLANTATIONS

It was agreed that the ceiling was not an appropriate measure of reform for plantation. Other measures suggested were—strict enforcement of minimum wages, steep agricultural income tax, State acquisition and subsequent co-operative management was favoured by many. Attention was drawn to large areas within plantations which were leased out to tenants for growing seasonal crops. It was agreed that the question of tenancy rights and ceiling in respect of such lands should be considered in the light of the recommendation of the Plantation Enquiry Commission.

SUGAR-CANE FARMS

The unanimous view was that these do not qualify for exemption. How these farms should be operated after the ceiling is enforced needs to be

considered; in particular, the question of running them as integrated co-operative farms should be investigated.

Orchards

The Committee are of the view that existing orchards should not be broken up if situated within a reasonably compact area, but the area under them should be taken into consideration for calculating the permissible area under the ceiling. If as a result, no other land was left for the owner, a basic holding may be permitted in addition to the orchards.

Where orchards are taken over, it should be ensured that they are not cut down and are maintained as orchards.

Cattle-breeding, Dairy, Wool-raising Farms

We favour exemption for bona fide farms of the above type, as certified by the Government. Exemption is intended for existing farms of the type and not for contemplated future use.

Compact, Well-managed Mechanised Farm

All these categories were considered together. Except one member who advocated State acquisition, others favoured exemption of the highly efficiently managed farms which consist of compact blocks, and on which heavy investment for permanent structural improvements has been made. Subsequent to exemption, they will be subject to special responsibilities and obligations, such as conforming to the highest possible standard of efficiency, use of improved practices, payment of minimum wages to labourers right of State to use them as experimental or demonstration farms acquisition of crops (produce) by State at reasonable prices.

7. DISTRIBUTION OF THE SURPLUS

All members agreed that in the process of distribution, displaced tenants should have the first priority. Regarding the subsequent order there was no unanimity. One set of views placed the below-basic farmers next, attached labourers third and casual labourers fourth.

The other views on priority were :—

(*i*) Displaced tenants; attached labourers; uneconomic farmers;

(*ii*) Displaced tenants; attached labourers; other agricultural labourers;

(*iii*) Displaced tenants; attached labourers; uneconomic farmers and other landless labourers to share equally;

(*iv*) Displaced tenants; all other categories to share equally.

One member strongly felt that casual labourers should not be given any share in the surplus.

The question of re-distribution is, however, linked up with the question of re-organisation of agriculture. We are informed that the Committee on

Problems of Re-organisation has taken the view that the surplus should be settled on co-operative basis. We would, therefore, defer making any recommendation on this matter.

8. FLOORS

While the policy of imposition of ceilings has reference to the problem of distributive justice, imposition of a floor limit is the outcome of the need for rational layout of land surface and efficient productive organisation. Land is a scarce resource and the nation cannot afford its wasteful use. None of the problems of inadequate or disproportionate equipment, of backward technique and inefficiency, of under-employment and wasted labour, of poverty and exploitation can be solved as long as the bulk of farming units are small. The concept of floor, thus, derives its imperativeness from the supreme need of operational efficiency rather than from the need to secure minimum income. It, therefore, implies that no production unit should be smaller than the minimum necessary for good agriculture. If even this unit is too large for the country to be able to provide to every individual cultivator, rather than partitioning the unit and distributing parcels to individual cultivators, the cultivators should be persuaded to come together and practice group or co-operative farming.

The Committee could not achieve an unanimity in approaching this problem. Though several members favoured imposition of a floor, say, at 1/3rd of the economic holding as in the Hyderabad legislation, others felt that blanket injunction against individual cultivation of the below-floor farms would unduly restrict the already limited opportunities for owning land and will keep out a large number of landless from becoming owners. In the distribution of the surplus also, if a minimum floor limit is imposed, the number benefiting from the distribution would be restricted. These members, therefore, opposed any rigid adherence to the concept of the floor.

Imposition of floor has a meaning only if all farms below the floor are grouped in a compact block of what may be called a co-operative sector. Varying degrees of co-operative working may be introduced—from credit and marketing to joint cultivation according to the preparedness of the participants. To make participation in this sector attractive the surplus from the imposition of ceilings may be transferred to it. Of course, the displaced tenants, attached workers and the landless (if so decided) will have to be provided on it. It is evident that this sort of re-organisation and re-alignment is possible only if a scheme of consolidation of holdings for re-designing of the lay out is introduced as a part of ceiling-floor policy.

Regarding the level of floor, (those who were in favour of imposing such a limit), some recommended 1/3; others 1/2, while two members held

the view that the floor and the economic level should be the same. However, if the imposition of floor is to result in some sort of re-organisation as suggested above, the effective limit will be organisational, *i.e.*, Government's capacity to organise the co-operative sectors.

Current Farm Operation.—The value of gross produce per cultivating family generally increased with the increase in the average area sown. An increase in the value of gross produce per acre was also associated with an increase in the total value of gross produce. The average area sown per cultivating family increased from about 5 acres to about 60 acres between cultivating families with the value of gross produce less than Rs. 200 and those with value of gross produce above Rs. 5,000 at the same time, the value of gross produce per acre increased continuously from about Rs. 20 in the former group to about Rs. 135 in the latter.

"Total farm expenditure constituted about 1¼ times the value of the gross produce for the group of cultivating families with the value of gross produce below Rs. 200; this proportion in the case of the group with value of gross produce between Rs. 200 and Rs. 400 was about 80%. Among all the groups with the value of gross produce exceeding Rs. 400 per family, it varied from 60 to 70 per cent.

Investment and dis-investment.—"As regards cultivators, the broad position is that in nearly 3/4ths of the districts the big cultivators showed a positive balance. In two-thirds of the districts the large cultivators showed a positive balance and in all, except a few districts, the small cultivators showed a negative balance position.

The result of the total calculation is somewhat striking. It shows a large balance on the positive side for the big cultivators. The large cultivators also showed a positive balance. However, the positive balance for the cultivators of deciles 2 and 3 was extremely small of the order of Rs. 20 per family as compared to the positive balance of Rs. 400 shown by the first decile. The medium and the small cultivators show a definite negative balance which was also the case with non-cultivators as a group. Later it has been stated that there is no striking difference between the proportions reporting positive or negative balance in the lower and the upper strata. It is clear that a positive balance is not, as a rule, associated with the upper strata and a negative balance with the lower.

Gross Saving and the Pattern of its use.—"A shift in emphasis takes place among the lower strata from utilisation of own resources for capital expenditure in agriculture excluding land and livestock purchase to repayment of old debts. This probably emphasised the urgency of repayments in subsistence economies and the non-availability of extra resources for any purposes other than that of maintaining the periodic cycle of borrowings and repayments.

Capital Formation.—"Of the total gross expenditure by cultivators on capital formation for the country as a whole, nearly 2/5th was by the big cultivators—first decile area 25% to 30%—and about 2/3rd by the large

cultivators—1st, 2nd and 3rd decile area 50% to 60%. These proportions do not indicate a concentration very much higher than that of cultivated holdings. If it is postulated that a high degree of concentration in gross capital formation exists where some more than half the total capital formed by cultivators is due to the big cultivators, there are several districts satisfying this condition."

MINUTE OF DISSENT

BY

SARDAR LAL SINGH, M.P.

The Report of the Ceiling Committee of the Land Reforms Committee gives a brief summary of the view point expressed by its various members. In addition to this, like some other members of the Committee, Mr. T. Prasada Rao, M.P., General Secretary, All Indian Kisan Sabha and a leading member of the Communist Party, has fairly widely circulated a pamphlet entitled "Ceiling on Land Holdings". Since his exhaustive note gives in full detail the view point of all those in favour of "*Low ceiling*" and "*No compensation or nominal compensation for lands*" to be taken over from the landowners, the best service I can render, to those with open mind on the subject, is to show some of the fallacies and weaknesses in the arguments presented by Mr. Rao and also by the majority party of the Land Reforms Committee.

The important points made out by them are :—

(*a*) Everywhere landless people have shown an anxiety to get land;

(*b*) This land-hunger must be satisfied by giving them land in howsoever small plots;

(*c*) Commercial farms when fragmented in small plots, would not result in fall of production and even if it does, it should not matter, according to Mr. Rao;

(*d*) Alternatively those small plots can be worked on co-operative or collective basis;

(*e*) Since land is limited, ceiling must be placed at a very low level *i.e.,* 20 standard acres in the opinion of Mr. Rao and 30 acres in the opinion of the majority members of the Committee. Mr. Rao, perhaps unintentionally, in support of low ceiling, gives erroneous impression about Co-operative Garden Colonies in the Punjab;

(*f*) Ceiling should apply to both landlords and owner-farmers, *i.e.,* all who are leasing out land and also those who are self-cultivating their lands;

(*g*) While majority in the Committee are in favour of making certain exemptions like "the efficiently run farm", Mr. Rao is not in favour of exemptions except for rubber, coffee and tea plantations, etc.;

(*h*) Surplus lands from owners be taken over without any compensation *i.e.,* straight confiscation in the opinion of Shri Rao, at 25 per cent of the market price in the opinion of majority members;

(*i*) Partition of family holding or transfer of land made by some land-owners in the name of sons, daughters, wives, etc., be declared null and void with retrospective effect from a certain year, *i.e.,* publication of Kummarappa Report on Agrarian Reform;

(*j*) Mr. Rao extols the Agrarian Reforms in China, but perhaps unintentionally gives erroneous picture; and

(*k*) For working land reforms effectively, Shri Rao suggests the establishment of Committees at different levels comprising representatives of tenants, landless labour, etc., but landlords to be excluded from representation on these Committees, *i.e.,* Mr. Rao wants to go much farther than even the Communist China has done.

Since the recommendations referred to above are going to seriously affect the biggest industry of India on which depends the prosperity—nay the very economic existence of this country, I cannot help touching all these points in some details with necessary care for brevity.

Before doing this, however, I may take liberty to make a few observations of a personal nature, particularly because an unfortunate tendency has grown up in this country to *decry everyone as reactionary or landlord who counsels "moderation" and advocates "modernization in agriculture".* Let me at the very outset mention that :—

(*a*) I myself am not a big landlord but am the son of a peasant farmer. Secondly even now, neither I nor other blood relations of mine, own more than 50 acres of land each (and most of them own only a few acres) and this includes what was more or less a culturable waste land purchased by me with the permission of government and wherein I had to invest my life's saving for establishing a model farm, to demonstrate how village life could be made attractive and "farming occupation" as dignified a profession as any other, thereby to encourage educated and retired people to settle on land and provide natural rural leadership *instead* of migrating to cities. For this purpose and to set an example I induced my son, a graduate of Agriculture with practical experience in U.S.A. and Europe, to settle on land as a practical farmer instead of hankering after government service which, with his academic qualifications and foreign experience, he could have easily got;

(*b*) Nor am I very much enamoured of the idea of *big personal private property* and do not possess any shares in any industrial enterprise or big buildings for renting out. Accordingly socialism or even Communism does not frighten me;

(*c*) I also yield to none in my conviction and advocacy—

(*i*) *to liquidate parasite type of landlordism* which live on exploitation without contributing much to the development of land and agriculture, and

(*ii*) to improve the economic lot of tenants and to fix reasonable rent and prevent their exploitation by landlords;

(*d*) I am also as keen as anybody else to *level down the differences between "haves and have-nots"* to remove economic disparities—some people owning crores and earning lakhs and others dying for a loaf of *bread, provided a uniform principle is applied to all classes of people and all kinds of property on an all-India basis and there is an element of justice with no invidious class distinction.* While I consider it a privilege to touch the feet of those who not only preach but practise "self renunciation", I cannot appreciate the logic, sincerity and selflessness of those who themselves own palatial buildings or million rupees worth of urban property and engage themselves in big business (or do so in the name of their relatives), and fetch an income of lakhs a month or otherwise receive fat salaries or charge heavy fees in various professions and then have the audacity to advocate, in the name of "Socialistic pattern," extreme poverty for rural people comprising 85% of the Indian people as would be presently explained.

So even though I am not a big landlord but having been agriculturist by *birth, training* and *profession* and having literally spent the whole of my life in the "Study and Development of Agriculture" and having occupied responsible positions as Prof. of Agriculture, Director of State Department of Agriculture and Adviser to Central Government, Director of the Indian Institute of Food Technology, and lastly as practical agriculturist, and having roamed about in the four corners of the world for almost a decade which only a few in India have done, I feel, it would be improper and cowardice on my part, and I shall be failing in my duty, if just for the sake of political advancement, or for winning cheap applause from Land Reform enthusiasts, I do not, in utmost humility raise my voice (feeble as it may be) against a policy which is destined to give death knell to any chances of modernisation in farming, and keep agriculture for ever in primitive stage and make it the monopoly of illiterate, ignorant and poverty-stricken class of people by turning out of this profession, men of intelligence, enterprise and ambition who wish to settle on land not as parasitic type of landlords but as progressive and enterprising farmers. It is not realized that even a few stray farms, run here and there by educated and enterprising people, are now serving as beacon light. But our land reformers, in their misguided enthusiasm, wish to get rid of these also, so that not a ray of hope or trace is left to give an idea of modernization. Shri Rao and his party assert that there should be absolutely no exemption on the score of efficiency.

Tenancy and Ceiling Committee.—A few words about these Committees would not be amiss. They were expected to be fact-finding Committees and if I may humbly submit, it was rather unwise for them to show their bias in favour of certain ideology. At places like Manimajra, near Punjab capital (Chandigarh), they began to ask "tenants-at-will" if they would like to be "occupancy tenants" or even owners of land and also whether crop-sharers would like to be declared tenants. And this naturally created all sorts of wild speculations or ambitions in the minds of these people and it is these high hopes, remaining unfulfilled that have created in Punjab an ugly position. The Committee went to villages in Pepsu which were Communist centres and actually a village visited by the Committee, was nick-named "Moscow of Pepsu". There was of course no harm in going, but what did appear rather improper was, that while the State authorities were kept in the dark about the villages to be visited by the Committee (and the State authorities rightly resented this procedure), on the other hand, the Communist Party of Pepsu, with all their flags *en route,* were ready in full strength to receive the Committee and the Communists of all villages had gathered in full force. No doubt by exaggerating or overstating their case and concocting a lot of imaginary grievances they created a poor impression. It was revealed that some of the tenants owned as much as 500 bighas (a few even more). For many years they paid neither a pie to the so-called landlord, nor a pie of revenue to the State, and for full three years no Government revenue official could dare to enter these villages and it was this place to which a reference had been made by Dr. K. N. Katju in the House of Parliament that these Communists were running a sort of parallel administration in the State. Likewise, in Tranvancore-Cochin the Committee was taken to some villages which were again the citadel of Communist activities and it was not easy to sift true facts when witnesses were coached by political parties.

Another glaring feature of this Committee was that it assumed the role of *"an Advisory body"* so that the revenue authorities or ministers in small States who felt reluctant to resort to radical steps were advised, if not mildly rebuked for their inactivity, if not so-called reactionary attitude, and promoted to adopt more radical steps. Authorities in big States like U.P., are of course able to exercise independent judgment and they do not feel frightened in saying that ceiling could only be applied in the case of *future acquisition* of land and *not* on the present holdings, especially when they are being self-cultivated and that also efficiently. The U.P. State authorities know fully well that vast tracts of reclaimed lands in places like Terai area, will at once revert into jungles if tractor-ploughing is given up even for six months. I wish all the State authorities in India could have been informed that Planning Commission and the Central Government did not wish to impose anything from top and they were

interested in getting their well considered views in regard to land reforms before finally recommending or laying down any definite policy on an all-India basis.

Landless Wanting Land.—As regards anxiety of landless labourers to get land, Mr. Rao says in his pamphlet on page 32 (page 163 of this Report) that in the tours in the various States, enquiries were made by the Committee from the landless people whether they wanted land and that their universal reply was in the affirmative. One may ask if the reply in affirmative could not have been presumed? Would there not be equally universal reply in the affirmative if poor labourers in the factories or clerks employed in the banks, were asked whether they would like to become owners or shareholders in the factories or banks (even though they may make a mess of factory, after taking possession), or whether the tenants, living in rented quarters in cities would like to be the owners of those quarters, or whether servants in the houses would like to oust the real masters, or whether drivers of cars would like to become owners of cars without any payment, or nominal payment, or whether lower officials in the Government would like to become the Heads of Departments, all at once without any efforts on their part?

Land Hunger.—Another curious argument offered frequently even by highly intellectual persons is that, just as in the case of air and water, so in the case of land, no individual or class of individuals, could be allowed to have excess of the same at the expense of others. It does not seem to be realised that, by no stretch of imagination, land can be compared with air and water as the former is neither *indispensable* for human beings, nor is any *sanctity* attached to the farming profession. If Government can offer to the peasants even the humblest jobs, like those of peons or watchmen, millions of them will doubtless be prepared to give up farming occupation—unremunerative as it is. It is not, therefore, land hunger; it is hunger pure and simple and it is *not land* but it is *food* that is *indispensable* like air and water. Land should more appropriately be compared with a factory or textile mill or workshop where the impelling motive is "increased production" and equitable distribution of profit among all concerned. Most primary duty of a national Government is to see that (*a*) land is made to yield the *maximum production* in the larger interests of the nation (*b*) as a social justice, there is *equitable distribution of profit* between all concerned—owner, tenant or labourer and there is no exploitation of weaker party by a stronger party. To treat land in any other way is the surest way to land our country into economic disaster. This slogan "land to the landless" if carried too far, just to satisfy foolish land hunger is extremely dangerous. By suggesting to put everybody on land, we only exhibit our lack of progressive outlook and confess inability to suggest new avenues or sources of employment. There was time in

the U.S.A. when as many as 85 per cent of the people lived on land who produced enough food for themselves and for the remaining 15 per cent. But at present only 13½% of the total population live on land and they produce enough food not only for themselves and for the remaining 87% Americans but also crores of tons for feeding other countries like India.

If farming (*i.e.* putting people on land) were to be the panacea of all ills, (as some Indian politicians or land reformers seem to think) or land could be a means to sustain all people, then Australia (with almost 100 times more physical area per person than in India) should have been fully contented with farming, supplying food and raw material to the world. But they realised the urgency of industrial development and have made remarkable progress in it. Pressure on land in India is already too great. It requires to be lessened and not increased.

Economics of Indian Farming.—Since the question of income from farming is intimately linked up with the success or otherwise of land reforms, a few words about the economics of Indian Farming will not be amiss. Indian farming as practised at present, is not at all a very paying proposition. Leaving apart the negative balance-sheets of hundreds of Government farms all over the country (*not* experimental but *commercial* farms for seed production or demonstration farms, etc.) and numerous other private farms where accounts could be analysed to see the extent of profit in farming, the Economic Enquiries conducted by the State Governments and by other private responsible bodies, reveal that farming particularly in the case of small farmers, is merely "a subsistence occupation" and *peasant farmers are not able to earn even the wages that a farm labourer can earn in that very area.* Perusal of the annual reports of the Board of Economic Enquiry, Punjab, for last thirty years (dealing with the income and expenditure accounts of hundreds of small farms under various conditions) should be an eye opener to land reform enthusiasts. Scores of quotations from these reports could be cited to show that peasant farmer with his own land, bullocks and family labour, in most year, is not able to earn during the year on an average even as much as a farm labourer does in that very locality. I give a typical instance from the annual report of 1949-50. The return per farm worker in the mountainous tract was only Re. -/5/3 as against Re. -/14/1 in the case of permanent farm labourer; in the sub-mountainous tract, it was Re. -/11/10 against Rs. 1/3/-; in the central districts Rs. 1/1/1 against Rs. 1/3/-; South-eastern districts Re. -/11/6 against Rs. 1/8/10 in the case of permanent labourers. Harijans in their respective professions like shoe-making or weaving, etc., are earning far more than the peasant farmers. *If even the existing peasant farmers, with necessary wherewithals* and with agricultural experience at their back, *cannot earn even as much as labourers do* (all the reports by highly responsible Government bodies could not be fake)—*what chances there are for land-less labourers or Harijans* (provided with small plots of land, but without

necessary wherewithals and experience) to make *greater success of farming than the existing peasant farmers have done.* Let us not be blind to the facts or live in wishful thinking or make an excessive use of imagination. The question naturally arises that if farming is such an unremunerative business why has there been such a great attraction to purchase land? ' This is discussed later in detail.

Distribution of Land.—Mr. Rao and presumably his party and others of his way of thinking have no use in making land holdings *"economic"* as Mr. Rao states (in his pamphlet on page 31—page 163 of this Report) "I stand for the distribution of land to poor peasants holding less than a basic holding, *i.e.,* one-third of a family holding each", and he advocates *distribution of land to all agricultural labourers including attached labourers.* On page 163, he argues that landless labourer has no credit, so much so, that "the village *sowkar* refuses to sell even daily necessities like salt, chillies, etc., on credit to the agricultural labourer because he is landless .... Hence, even a small piece of land would give him the needed credit-worthiness". While persuing the above, I noted on the margin of his pamphlet that while a small piece of land would no doubt enable the landless labourer to buy small articles like salt and chillies on credit but wherefrom would he get money to (*a*) buy bullocks, cart, farm implements, seed, manure, etc., for cultivation, (*b*) to keep himself going for one full year before the crop comes in or (*c*) to build his house since minor articles like salt and chillies could be obtained on credit if he had even a *kutcha* house, I did not realise that in the very next para (page 164) he himself replies—*the supply of capital, bullocks, etc., is the concern of the State and* "more and more assistance should be given to them in the form of subsidies, loans, price supports, for the farm produce, fertilizer and agricultural implements at concessional rates, etc.". I wondered if any State, no matter how rich and resourceful, could ever afford to do this in the case of tens of millions of tiny farmers. But even for this Mr. Rao has a ready solution, as he says (page 164)—"How can the State, with its limited resources, come to the aid of such innumerable small landholders who will be created by such land distribution, when it is not able to extend such help satisfactorily even to the existing small landholders, is a question often put. It is true that the State cannot provide such help so long as it continues to pay huge sums as privy purses to feudal princes and as compensation to zamindars and jagirdars, so long as it allows the multi-millionaires to evade tax payments and still go scot-free, so long as it refuses to control profits, so long as corruption, waste and defalcations are not checked, so long as huge salaries and allowances are paid to the top officials, so long as the feudal princes and other such interests are allowed to hoard their riches and so on. Stop this, pool all the resources from these sources and any amount of finance will be available for coming to the aid of these small landowners to carry on their cultivation."

Since the land owning classes or the substantial farmers (whose farms Mr. Rao and his party want to liquidate) do not stand in the way of Government removing corruption, waste, and defalcation or stopping huge allowances of top officials and feudal princes or preventing other capitalistic interests to hoard their riches, may I suggest in all humility if it would not be wise at first to attend to these matters, and secure or even *ascertain the needed financial resources, before creating numberless millions of petty farmers* who will have to be heavily financed for the purchase of bullocks, implements, seeds, in fact every little requirement since they have no money to buy even salt and chillies. It is easy enough to be put in possession of land but it requires collosal capital to buy the necessary wherewithal to farm that land. Or does Mr. Rao think that the cause of Communism could best be served, if numberless millions of petty farmers are created first and when they cannot be provided with necessary wherewithals, as is *certain* to be the case, the frustration or discontentment resulting in chaos and disorder in rural areas would automatically follow which will of course provide necessary soil for sowing the seed of Communism. I humbly suggest that anarchy, chaos and disorder, as a result of frustration, once created cannot be easily suppressed, and it is wise to be cautious and moderate in every step. Preach Socialism or even Communism by all means, but class conflict would harm the best interests of the country.

Acquisition of land under self-cultivation

Communist China believes in rich peasantry.—Mr. Rao and others in favour of low ceiling *are not satisfied with acquiring land of only the big landlords who are leasing out their lands, but they want also to deprive the substantial farmers of land exceeding* 20 *or* 30 *acres*. Even though India has not yet adopted Communism as its pattern of society, *yet in the matter of land they want to out-beat or out-do even the Chinese Communists who place no-ceiling on self-cultivation.* The Agrarian Reform Law of the Peoples Republic of China adopted by the Central Peoples Government Council on June 28, 1950 lays down as under :—

> "Art. 5. Revolutionary army men, dependents of martyres, workers, employees, professional people and others who engage in non-agricultural occupation or lack labour power shall not be classified as landlords if they rent out small portions of land".

> "*Art.* 6. *Land owned by rich peasants and cultivated by them or by hired labour and their other properties shall be protected from infringement. Small portions of land rented out by rich peasants shall also be retained by them*".

> "Art 19. The farms, seedling nurseries and agricultural experimental areas that are cultivated with *machinery* or other *advanced equipment* and the large bamboo groves, large orchards, large tea groves, large mulberry fields and large pastures where

technical knowledge is essential shall continue under their existing management and should not be dispersed."

In short, the emphasis is that lands of those who are engaged in self-cultivation, no matter on what scale, should not be touched but the land of landlords renting out their lands may be taken over. The Chinese Prime Minister *vide* booklet entitled "Significance of Agrarian Reforms in China" by Mao Tse Tung and Liu Shao Chi in the course of a talk says : "Fellow members, comrades .... the basic reason and aim of agrarian reform stems from the demand of poduction; hence every step in agrarian reform should truly take into consideration and be closely co-ordinated with the *development of rural production.* Precisely because of this basic reason and aim, the Central Committee of the Communist Party of China *proposed that rich peasant economy be retained* in the future Agrarian Reform. *Rich peasant economy should not be destroyed.* This is because the existence of rich peasant economy and its development within certain limits is advantageous to the development of people's economy in our country". He further discusses in his talk regarding the "*leftist* tendencies *that had to be corrected*" and one tendency that had to be forcefully corrected was that Peoples' Government at a lower level, in their enthusiasm for land reform as is the case in India at present, "in a number of cases characterised the rich peasants as landlords and middle peasants as rich peasants" and he lays emphasis at half a dozen places in his talk that rich peasantry was indispensable politically, socially and economically, and he adds *vide* pages 24-25 of the publication referred to above :—

"It is necessary to draw attention to the experiences of the past so *that our comrades shall not repeat former mistakes during the coming Agrarian Reform* work in liberated areas .... It is necessary to adopt the policy of eliminating the feudal system and *preserving rich peasant economy* .... Peoples Government should call together the rich peasants and inform them of Government's policy in order to settle their doubts". In short, the greatest emphasis everywhere is not to touch the self-cultivating rich farmers, including those getting land cultivated with hired labour.

I have purposely referred to China as our land reformers always cite China as example, even though India could be expected to follow the example of democratic countries like U.K., France, Canada or U.S.A., which have made such outstanding success of agricultural profession.

Contradictory Arguments—need for differentiation between big cultivators and big landlords

Mr. Rao throughout his pamphlet uses a forceful language to give impression as if most of the land in India is owned by landlords. While discussing—"Why do we want a ceiling on land holdings ?" (Page 143),

he says, "we want to put ceiling on land holdings **because landlordism is a** fetter on the productive forces in agriculture...It is a universally accepted fact that today vast amount of land is monopolized by a handful of landlords...unless landlordism is abolished, unless land monopoly is broken up, the *productive forces* in the rural side cannot develop...Hence ceiling on land holdings must be imposed here and now...*These lands (of landlords) should be given over free of any charge to the peasants* who are in cultivating possession". Again he says on page 147 that ceiling "should be such that, as demanded by the All India Kisan Sabha, it breaks the monopoly of the landlords and gives land to the landless." Mr. Rao gives an idea as if major portion, if not whole of the land, is monopolised by landlords, which was presumably the case in China as Chinese Communist Leader Mr. Teng Tse-hui in his talk also uses a somewhat similar language (as used by Shri Rao)—"With the liberation of the peasants from feudal land relationship, the *productive forces* in the country obtained new lease of life." This, however, is not the case in India, as in most States, like Punjab, only an infinitisimal area is owned by big landlords and most of these *so-called landlords are self-cultivators;* and in the case of others who are not self-cultivating, either that land is already with tenants so that it is merely a *question of adjusting the rent at a fair level* or such lands could be taken over at reasonable prices and nobody will be sorry for it.

Mr. Rao when confronted with the argument that breaking up big farms into tiny farms may result in fall of production, he at once changes his ground and says (page 148) "There is hardly even 1% of the total cultivated land in our country which could be called large-scale farming where real and modern technical means are applied." If the area is really so small then why worry about it, especially when there is no serious objection from any quarters in depriving the parasitic type of landlord. Why should Mr. Rao insist that even the self-cultivating farmers should be deprived of lands above 20 acres ?

CEILING ON LAND HOLDINGS

Ceiling :—Ceiling can have after all only two objectives namely (a) *social justice i.e.,* to level down the differences between 'haves and have-nots' or at least to remove glaring disparities in wealth between different individuals or different classes and (b) *increased production* or greater wealth, as much in the interest of our country as that of individuals.

Social Justice :—As regards social justice, Mr. Rao suggests ceiling at twice the economic holding, *i.e.,* 20 standard acres; and the majority of the Committee is gracious enough to suggest three times *i.e.,* 30 standard acres and the conception of the Committee about economic holding is that it should yield a gross income of Rs. 1,600 or net income of Rs. 1,200 per year, *i.e.,* Rs. 120 per acre which (barring special or favourably situated lands) is far too high figure for average lands if balance sheets of Government farms and others are at all any criteria. Income from lands under

the rain-fed conditions and situated far away from cities, may be very much less. In any case, it means that under normal (*i.e.*, not very unfavourable circumstances) the maximum income for whole family engaged in farming is set at Rs. 300 per month inclusive of their own personal labour. Land-owners engaging hired labour may not get even Rs. 25 per acre as net income and this is confirmed even in co-operative farms. Since family comprises on an average 5½ members, *the income according to Committee comes to* Rs. 54/8/- *per person per month and according to Mr. Rao only Rs.* 36/8/- *inclusive of personal labour with which to feed, cloth, educate, safeguard against illness and meet all expenses on marriage and all kinds of social obligations etc., and that also for the highest family.* The total value of 30 acres at Rs. 200 per acre fixed by the PEPSU Government comes to Rs. 6,000 but even at Rs. 1,000 per acre it comes to only Rs. 30,000 for 30 acres and Rs. 20,000 for 20 acres (Mr. Rao's ceiling). Since there is hardly any other occupation except farming in rural areas (money-lending is to be tabooed and marketing and processing of raw material etc., to be done on co-operative basis) it means that no one and not even the *highest family* in rural areas comprising 85% of Indian population, under normal conditions, should aspire to possess landed property worth more than Rs. 20,000 to Rs. 30,000 (even at the rate of Rs. 1,000 per acre instead of Rs. 200 fixed by PEPSU Government) and an income of Rs. 36/8/- to Rs. 54/8/- per month per person (inclusive of their personal labour) with which to meet all worldly expenses so that the highest agricultural family is to be brought to the level of a low grade Government official or that of a small shopkeeper, if not a mere pedlar or a hawker or a 'Chhabriwala' in the city as members of their families jointly can expect to earn ten rupees or so per day. There is nothing to prevent a man in the urban area owning property worth crores and earning lakhs. Even the Planning Commission in 2nd Five Year Plan for urban people recommend a net annual income, free from taxes of Rs. 30,000 for a single person and there could be several members in the family each earning Rs. 30,000 openly (with hidden profits separate) as against Rs. 3,600 per year for whole family of 5½ persons inclusive of their wages. *What a strange sense of justice and what a contrast in the urban and rural economy—for urban people, a capitalistic pattern of no mean type and for rural people a socialistic and communistic pattern with vengeance and of a type which even Communist China* abhors as *China swears by rich peasant economy* as already discussed. I have already said that I stand for levelling down the disparities in wealth and to effect this, I would welcome any kind of socialistic or even communistic pattern, but there must be a shadow of at least elementary justice and some sense of proportion in dealing with different classes of people. The formula must be applied to all classes of people, to all kinds of property on an all-India basis.

Theory of absolute Equilitarianism is Tabooed even in Communist China

Mr. Rao in his pamphlet (pages 146-147 of this Report) giving extracts from the report of Mr. Teng Tse-hui, Director of Department of Rural Works of the Central Committee of the Communist Party of China, extolls the achievements of China's Agrarian Reforms. The picture given may be quite true, and we all should feel extremely happy if it is so because of our most friendly relation with China. I find, however, that this report gives only figures about the lands and buildings confiscated from landlords and given to tenants, but exact figures of increased production are not given anywhere beyond saying "Productivity has increased markedly." Secondly, increase in productivity was *inevitable* when land was taken over from the parasitic type of landlords and given to the actual cultivators, helped by the collosal amount of money given as loans, subsidies, etc., and to quote Mr. Rao's own words, "The total loans amounting to 10 million Yuans". But the important point to remember (and which Mr. Rao conveniently forgets) is the difference between landlord renting land, and landowner cultivating his own lands. As quoted by me previously from the Chinese Constitution and from the speeches of Chinese leaders, the substantial farmers were not touched and wherever they were infringed upon, the mistake had to be corrected. In Communist China, capitalists, (no matter in what field or occupation) cannot possibly have any great encouragement yet China believes in rich *peasant economy*.

Both Mao Tse Tung and Liu Sao-chi in their talk (*vide* China Digest of June 1st, 1948) emphasize again and again that *"whoever advocates absolute equalitarianism is wrong—This sort of ideology is reactionary, backward and retrograde in nature. We must criticise this ideology.* The target of the Agrarian Reform is only, and must be, to end the feudal system of exploitation on the part of landlord class. Special attention must be given to non-encroachment on middle peasants, professional people and *new type of rich peasants all of whom do not engage in exploitation or engage only in slight exploitation*".

On the other hand, even when India has not yet adopted communism as its pattern of society, Mr. Rao, and others of his way of thinking, wish to liquidate the rich *cultivators* also so that no family is left in the agricultural profession whose income exceeds Rs. 50 per month per person; in fact, only Rs. 36/8/- per person per month according to ceiling suggested by Mr. Rao, and *that also for the highest family* in rural area. What a magnificent amount and what a method of distributing poverty with vengeance; what a noble and high ideal to raise the level of standard of living of the people; what a queer device to *turn out from agricultural profession* (and accordingly from rural area as there is hardly any other

occupation except farming in rural area comprising 87% Indian population) every one aspiring to lead the life of his counterpart in urban area. What a novel way to bring about contentment in rural areas by bringing uniform poverty to every family so that there is no scope left for them to either *grudge the prosperity or lament the poverty and ignorance* of one another—whole mass of dumb people and nobody in the rural area to serve as a source of inspiration; and land reform enthusiast *babus* from the cities going to rural areas to teach them the sermon of *simple living and high thinking* and the best methods of practising modern agriculture and co-operation. *No foreigner or even the cleverest enemy of the Indian Nation* could have devised a more effective way of keeping Indian agriculture in primitive conditions, killing every sort of initiative in farming and keeping the rural people in perpetual ignorance and serfdom, than what is unwittingly being attempted through ignorance, lack of experience and misguided notion of land reforms in India. *Let there be elimination of feudal landlords or those of parasitic type but why expell from agricultural profession, enterprising and progressive agriculturists who want to make honest living and have noble ambitions, and who can provide necessary leadership in rural areas. Are they not a thousand times better citizens than the so-called city industrialists earning crores, city landlords getting lakhs in house rents and worse still those engaged in black-marketing ?*

Co-operative Garden Colonies in Punjab

Mr. Rao, in support of his plea for ceiling, refers to this scheme in his pamphlet. I myself happen to be the author of this scheme. Undoubtedly this is the biggest venture of its kind, not only in India but in Asia, whereby 20,000 acres of land, in about 20 different localities, each colony ranging between 500 acres to 2,500 acres in area is being put under fruit gardens, each person owning half or a full unit of 20 acres garden; all allottees planting the same varieties of fruits to facilitate co-operative grading of fruits, preserving of fruits in cold storages or fruit preservation factories, and starting in due course other side industries allied to horticulture *i.e.*, bee-keeping, poultry, dairy and seed production etc., all on co-operative basis in many respects.

It is to be seen how far this scheme succeeds, but even if this scheme unfortunately fails, we might as well despair of every agricultural co-operative movement in India, inasmuch as in this Garden Colony Scheme, there is nice blending or happy marriage of both personal initiative and co-operation, the advantages of personal initiative (inherent in private enterprise) are combined with the obvious advantages of co-operative enterprise.

Mr. Rao in support of his ceiling policy, argues that if ceiling at 20 acres can be fixed in this scheme, then why not adopt the same ceiling of

20 acres in crop farming? He perhaps does not know that each allottee in these colonies has got land *in lieu* of the land surrendered by him; and unit of 10 or 20 acres is kept for the sake of uniformity in planting and for convenience in subsequent management. Secondly, the allottees in these colonies are *not deprived* of their agricultural lands in other places. Thirdly, every individual adult of the family could have separate unit of garden in his own name because the land given is not a 'Bakshish' or grant but is *in lieu* of the land surrendered elsewhere by him.

Other Drawbacks of Ceiling at low Level

Leaving apart social injustice that will be done by placing ceiling at very low level and that fragmentation of commercial farms is likely to result in fall of production or at least fall in the amount of grain coming to the market, as discussed elsewhere, ceiling at low level has numerous other disadvantages. To mention a few :—

(*i*) Ceiling, on the basis of *area* alone, has little meaning in view of the enormous variation in the quality, productive capacity and price of land. Some lands are hardly worth Rs. 50 per acre with rental value of hardly Rs. 5 and other lands near cities worth Rs. 5,000 per acre with annual net productive value of a thousand rupees, which means that a property of thirty acres in one case may be only worth Rs. 1,500 with net annual income of only Rs. 150 and in another case, worth rupees lac-and-a-half with net annual income of rupees thirty thousand.

(*ii*) Ceiling at low level would automatically encourage transfer of rich productive lands to rich people and poor lands to poor people possessing little financial means or ability to improve land.

(*iii*) Ceiling would discourage reclamation of waste lands by private enterprise, and Governmental enterprise is always too inefficient and uneconomic; and reclamation of land by C.T.O. in India has already proved to be the costliest in the world. It will be difficult to expect private people to reclaim waste lands at heavy cost and then be generous enough to hand over all area to Government except thirty acres.

(*iv*) Wherever ceiling is imposed it is always at fairly high level even in Socialistic countries which would permit modernization and mechanization of farms. In China there is no ceiling and in *East Germany even under Communist influence, farms upto 250 acres are not touched, while in Egypt where tenancy problem is the acutest, ceiling per family is at 250 acres allowing 50 acres extra for additional member upto a maximum of 350 acres, and there is no ceiling in the case of newly reclaimed lands for fifteen years.* In the case of other democratic countries where private enterprise is encouraged, there is no question of ceiling. U.K. laws provide for best utilization of land as discussed later. In U.S.A. where farming has reached perfection, they can never dream of putting a ceiling on man's capacity to work.

(*v*) Ceiling at low level would render mechanization of farms and modernization in Agriculture out of question which would be a retrograde step.

(*vi*) Ceiling at low level would drive away men of intelligence, ambition, business enterprise and capital from farming, rendering this profession as the exclusive, monopoly of illiterate, ignorant and poverty stricken class of people which is the surest way of keeping agriculture in most primitive stage. *Modernization and ignorance go ill together : expecting modernisation in a profession which is the* exclusive monopoly of ignorant people, is an impossibility.

ELIMINATION OF RURAL REPRESENTATION FROM LEGISLATURES AND PUBLIC ADMINISTRATION

It is clear, that fixation of ceilings at such a low level is neither, (a) conducive to increased food production nor, (b) can it provide any great area to solve our agrarian problem, nor (c) is it practicable to settle landless labour on land without necessary "wherewithals" which even the Government of a richest country cannot do and our Government at any rate will find it impossible to do as it cannot meet the needs of 5% of even the existing cultivators, nor (d) will the economic lot of landless labour even if settled on land, improve as must be crystal clear to those knowing A.B.C. of economics of Indian farming and as has been brought out so clearly in numerous economic enquiries conducted so far, nor (e) corresponding ceiling is being imposed on urban people or urban property, nor (f) ceiling at such a low level on self-cultivation has been attempted in other countries even under Communistic regime as discussed elsewhere.

In the light of above is it any wonder that intelligentsia in the rural area, rightly or wrongly, have begun to feel or even suspect, that the so-called land reforms (which go beyond eliminating parasitic type of landlords and fixing reasonable land rent and providing reasonable safeguards for tenants) when carried to the absurd extent of limiting even self-cultivation to 20 or 30 or even 50 acres, are prompted more by political than *social or economic considerations.* They are bound on one hand, *to divide rural people by creating friction, bad blood and class hatred* between landowners, tenants, labourers, Harijans, big and small farmers, and on the other, to win over votes from tenants and landless labour on sentimental grounds, and still more, to *chop off the tall poppies in the rural areas* including substantial farmers, and make rural people completely impotent both in the legislatures and public administration. It is obvious that when no body with more than 30 acres, is left in agricultural profession (and there is hardly any other profession in rural area) there will be no question of even the biggest farmer to give higher education to his children or to compete for posts in Public Administration and still less chance, to fight election to Central or State legislatures (so that rural element will be completely eliminated from the legislature and public administration. Even at

present the representation of rural and urban people in public administration will perhaps be found in *inverse ratio* to their respective population but with the enforcement of land reform the process will be greatly hastened so that there will be complete and perpetual domination of urban people over 85% of rural people. Those in rural areas wishing to fight elections will have to depend upon the financial support of urban interests and consequently they must necessarily be at the beck and call of their paymasters. This is evident even at present in many cases when many rural members in legislatures feel shy to fight the cause of rural people. It will be difficult to deny, that above will be the net outcome of the reform, whether it is designed or unintentional. No wonder that a speaker in the Farmers Convention held at Delhi on April 4th, 1955, stated that it was perhaps some sort of economic device like ceilings that must have been responsible centuries ago for creating classes of Shudras and Brahmins. There need, however, be no fear on this account as with the fixation of ceilings at ridiculously low limit of 30 or 50 acres, the way will be clear for wholesale Communism throughout the country in accordance with the plan of Indian Communists as it is inconceivable to have with socialistic pattern with vengeance in rural areas and capitalistic system in urban areas. I myself would prefer communism any day rather than a handful urbanites should rule over 85% of rural people for ever.

If Communism is not to be our pattern but ceiling on land has got to be fixed, justice demands that it should bear some relation to the income of family in the urban area and ceiling on land should be fixed at reasonable level so that a person engaged in farming as a profession or industry (and not merely landlord collecting rent) should be able to make as decent a living on the farms as his counterpart in the urban area.

Will breaking up of Commercial Farms Result in Fall of Production

(*a*) *Taking first the example of our neighbour—West Punjab* (*now Pakistan*) : As a sequence to the parcelling of commercial farms in small plots and giving land to those not experienced in farming—resulting in low standard of cultivation, the production decreased immensely so that West Punjab has been converted from the position of a highly surplus to a highly deficit State. The present condition of some of the Canal Colonies like the district of Lyallpur in the West Punjab which had at one time exhibited the highest standard of cultivation, by judicious use of canal water and other resources, should be an eye opener for us.

(*b*) *Taking further the experience of Russia* : In order to *satisfy the craze of land hunger* of landless class or tenant (as preached by land reform enthusiasts in India) the Communists broke large farms into small farms with not very happy results. Reference to pages 247 to 253 of the book entitled "Problems of Leninism" by J. Stalin himself, should greatly

enlighten us. While speaking on "the Grain Front" before University students on May 28, 1928 (When he was questioned as to how was it that the grain coming to the market had dwindled down to 50% and that for export to only 5% of pre-revolution period even though the areas under crops was the same) Stalin had replied :—

> "Reason is chiefly and primarily the change in the structure of our agriculture brought about by the October Revolution, the change from large scale farming to that of small and middle peasant farming .... The number of peasant farms having increased to about 25 millions as against about 15 millions previously." He further says "the strength of large scale farming, irrespective of whether it is landlord, kulak or collective farming, lies in the fact that large farms are able to employ machinery, fertilizers; to increase the productivity of labour; and thereby quantity of grain for the market. On the other hand the weakness of small peasant farming lies in the fact that it lacks, or almost lacks these opportunities as a result it is semi-consuming farming, yielding little grain for the market".

COLLECTIVE FARMING

Faced with the above situation, which had resulted by the splitting up of private commercial farms, the small farms had again to be converted by force of necessity into big farms. But instead of handing them over to original owners which was out of question under that regime the peasants were made to undertake collective farming more or less under compulsion as will be seen later. But 25 years (1928—53) of *"Collective Farming"* (*Vide* reports dated 13th September, 1953 from correspondents at Moscow published in most papers like *Manchester Guardian* on 14th September) also did not seem to achieve the desired results, as Russian Government had to admit that the production was still far below that of pre-Revolution period. The report states :—

> "Number of cattle in the country is still 8.9 million fewer than in 1938........... During 1952 the number of heavy horned cattle decreased by 2.2 million and the number of cows by 5,50,000 .... the number of horses today is 60% below the pre-Revolution figure", Mr. Khrushchev, first Secretary, Communist Party also draws attention to "serious deficiencies in grain growing and the raising of vegetables".

It is obvious that collective farming even under severe regimentation (which India is not perhaps in a mood to adopt at least at present) did not achieve the desired results—reasons being that peasants, although forced to join "Collective Farming", had lost personal interest and initiative and showed a sort of indifference or passive resistance.

Faced again with this adverse situation and in order to increase production, the Russian Government then realized that farmer alone held the key to "increased production" and accordingly it proceeded to satisfy the farmer and not only by making a heavy reduction in his land taxes but by substantially increasing the control price of agricultural commodities (*i.e.* price incentive) and granting liberal credit facilities and other concessions. Then again after two years (as published in all Indian papers on 8th February, 1955 the Prime Minister Malenkov, while submitting his resignation, is reported to have said "*I am conscious of my inadequate experience and I see clearly my guilt for shortcomings in agriculture,* since I took responsibility in that direction." It shows that while Communists may be admired for making supreme efforts and for honesty of purpose yet the problem of land utilization cannot be said to have been fully solved yet and collective farming cannot be said to have been yet an unqualified success, and we cannot adopt that as our pattern in India.

Incidentally one may ask whether the open confession of Malenkov of *"Inadequate experience in Agriculture"* should not make our National Government ponder over the inadvisability of entrusting the work of land reforms, largely to those people most of whom in their whole life time (whatever their other qualifications and merit and I bow in respect, to the enthusiasm, *sincerity* or honesty of purpose of some of them, have never owned an inch of land or farmed or even lived for a single day on the land, have little practical knowledge of the subject, or rural problem or psychology of the rural people; on the other hand men with life long experience of the subject are conspicuous by their absence from such Committees, and any body daring to express honest opinion is tabooed.

Tiny Farms—Wasteful of Resources

The experience of U.S.S.R. for over quarter of a century has already been cited. Mr. Rao, however, argues that breaking up of commercial farms will not necessarily result in fall of production because of the miracle that will be worked by that mysterious *"productive force"* which will be generated the moment small plots of land are given to the landless. This betrays ignorance of even the most elementary knowledge of practical agriculture. It is not realized that the greatest curse of Indian farming is the lack of resources and inadequate utilization of resources whatever available. Even an absolute minimum of a pair of bullocks, one cart and minimum implements and farm equipment *must need a minimum area of land,* say 15 acres in the Punjab, so that people owning only a couple of acres cannot possibly make full economic use of the same, even presuming that Government enables them to buy these, (which a Government of even the richest country can never do) ultimately resulting in wastage of resources all round. Likewise in regard to irrigation it requires no great knowledge of agriculture to appreciate that a given quantity of water for irrigation,

whether from canals or tubewells, when split into tiny streamlets for irrigating tiny plots cannot possibly be so economically utilized as a big stream irrigating large areas.

Fortunately, however, Mr. Rao also seems to appreciate this fact, since he says (page 155) "this does not mean that I argue that under all circumstances small-scale farming is better than large-scale farming. This is far from my view. What I want to *say is that the. . . .first and foremost duty of any land reformer is taking over lands of the landlords and giving it out to the poor peasants and agricultural labourers*. This will be the *first* step and not *final* of land reforms. Gradually.......... cultivators should be induced to take upto co-operative farming"... Speaking about the private mechanized farms which he wants to take over, he says (page 154) "real mechanization can take place in agriculture on large-scale on the basis of highly developed industrial sector and collectivisation of Agriculture. He further says (page 155) "even after the splitting up of large farms to the peasant level, mechanization can still go on by the machinery, tubewells, etc., which can be taken over by the State or by the peasants themselves jointly, and put to use just as when the single big farm existed." In short, Mr. Rao and his party advocate first splitting up of Private Commercial Farms into little peasant farms to satisfy the hunger of landless, thereby making them credit-worthy to buy on loan atleast salt and chillies, to use Mr. Rao's own words; Secondly when they find (as happened in the U.S.S.R.) that creation of tiny farms results in fall of production, (if not actually in chaos and disorder) then again joining these tiny units into big farms to be worked either by the State or run by the peasants on co-operative or collectivisation lines. In nutshell, he wishes to follow exactly the method tried in U.S.S.R. with this difference, that since collectivisation *under compulsion* had failed in U.S.S.R. he wished collective farming to be done on *voluntary* basis.

Co-operative Farming

Collective Farming has not so far proved an unqualified success anywhere in the world. And so long as the present human mentality lasts, any great chances of its success are likely to be only under the Communistic regime. Further co-operation in certain spheres of farming (as in purchase of requirements, sale of produce, irrigation projects, credit facilities, etc.) so successfully worked in democratic countries should not be confused with collective farming or joint farm management. Scores of enterprises in co-operative or collective farming in India have not so far met with the least success, as would be clear from extracts given in the Appendix to this note. The Indian Council of Agricultural Research Reports also show that income and yield under co-operative management was the lowest. Nor has State financial assistance been lacking in the form of grants, subsidies and loans which in the case of one society amounted to five lakhs of rupees or Rs. 5,000 per person (landless labourer) and in another case

over Rs. 200 per acre; in one case even ploughing or reclaiming land by tractors was done free, revenue was remitted, concessional irrigation rates sanctioned and technical assistance or supervision given free of cost. In some cases land was given free of any price or at very low rent—in one case rent being only ten annas per acre. Can any one visualise greater financial assistance than this and in fact can our Government ever dream of doing this in the case of countless millions of landless labourers proposed to be settled as tiny farmers? In spite of all the help given, landless labourers have shown little enthusiasm, some have disappeared with money; there are complaints that people do not put their heart in the work—they get themselves only marked present; in most places they want land to be divided in individual plots for personal cultivation which will again involve the problem of providing "wherewithals" and then "inadequate utilization" of the resources once provided.

Let us, I repeat, again, be realistic and not indulge in wishful thinking.

Need for Caution

We in India are unconsciously not only following in the footsteps of Russia *i.e.*, (a) breaking up commercial farms into tiny bits for Harijans or landless labour more to satisfy their craving for land for psychological reasons than on economic grounds (just as U.S.S.R. did, but Russian peasant farms were at any rate much bigger than the tiny farms being created here) then (b) presenting a rosy picture of "the would be co-operative or collective farming" as U.S.S.R. did in 1938 with negative results up to 1953, (c) ignoring experience of Russia and every other country and (d) forgetting that unfortunately Indian farmers have not yet exhibited any great spirit of co-operation *even in spheres where co-operation is obviously advantageous* like co-operative purchase and sale and (e) co-operative, farming in India wherever tried, has not proved any great success as has already been discussed. No sane person can ever be against Co-operative movement. Co-operation is our only salvation. I myself am the greatest advocate of co-operation and I have to my credit some solid achievements such as Co-operative Fruit Development Board in West Punjab, Co-operative Garden Colony Scheme in East Punjab. But I know in which aspects of farming, co-operation can be an unqualified success and where it must miserably fail and collective farming, in the sense of our land reform enthusiasts, has remote chances of success, which they will realise only after *wasting enormous amount of resources in money and energy* and which might unfortunately have undesirable repercussions even in those spheres of farming where co-operative efforts can definitely be successful. We should be realistic and not indulge in excessive imagination of wishful thinking. Let us make a success of collective or Co-operative farming even in a dozen places in India, before building whole edifice of Indian rural economy on doubtful and risky foundation.

COMPENSATION

As regards compensation, Mr. Rao is equally blunt and straight. On page 162 he underlines his definite statement. *"Hence I am opposed to payment of compensation to landlords either for the surplus land taken from the land under personal cultivation or for the lands under the tenants."* Majority members of the Committee are magnanimous enough to suggest payment at the rate of 25% of market price. I wish Mr. Rao, his party and others in favour of "No Compensation or Low Compensation" for land had taken up *equally firm stand,* which they should have logically done when the question of taking over the Imperial Bank was under discussion in the Parliament, and when the shareholders who had already reaped immense benefits in the form of rich dividends for the last so many years, were actually paid *Rs.* 1,750 *per share* of the face value or Rs. 500 by the vote of many of these very gentlemen who are now so vociferously advocating and swearing by the acquisition of land either free of cost or at nominal value of 25% of the market rate.

Further, there could be some justification in acquiring lands at nominal prices from those who had got the same free as *jagir, grant or bakshish* or paying graded price depending upon quantum of land of each person. So long as rights and sanctity of personal property are guaranteed by the Indian Constitution and India does not adopt the policy of confiscation of private property or Communism as its pattern of society, what justification, moral or legal, is there to get free or at a nominal price, the lands of those owners who had spent years or decades in reclaiming the same or which they had purchased in the open market at the highest price and, in many cases, from this very Government. Punjab Government itself had auctioned lakhs of acres in the open market realising, in some cases, even Rs. 2,000 per acre. In many cases, Government servants and even professional men after retirement, had invested the whole of their life's savings in purchasing land in open auction and they have hardly been earning a small dividend on their investment. Their only crime was that they foolishly decided to settle on land and improve agriculture, as much in their own interest as that of the country instead of buying shares of textiles, iron or steel or shares of the Imperial Bank or other banks where their investment could have earned good annual dividends and simultaneously getting the market value of their shares raised by 300 to 500 per cent. A certain Bombay multi-millionaire a few years ago sold one of his textile mills for Rs. 86 lakhs which only 10 years previously was purchased for Rs. 16 lakhs, and on this huge profit of Rs. 70 lakhs in one transaction nothing had to be paid as income-tax as there was no tax on appreciation in value of property. This is of course the usual practice.

If our National Government is really so anxious to help the landless labour or tenants, let it purchase at market rate at least such lands which were genuinely purchased or reclaimed by the present owners in the open

market or the land allotted to the displaced persons who were already subjected to severe cut in allotment; and then distribute this land among landless either free of cost or at reasonable prices or on instalment basis, so that, the burden is borne by the Nation as a whole including those multi-millionaires living in urban areas and earning millions. There is nothing creditable in "robbing Peter to pay Paul" as is implied in our proposed land reform Schemes. There must be some substance or even shadow of elementary justice in Government action. Particularly in the case of middle class farmers whose landed property is hardly worth even a lac of rupees which even a middle class man in urban area possesses and which is not even subject to estate duty.

Quantum of Compensation and Logic of Land Rent

Mr. Rao (pages 157—161) makes out a case for confiscating land exceeding 20 acres by producing frightening figures as "quantum of compensation" needed for the purchase of land or, alternatively, the amount of rent that will have to be paid annually by the tenants which he considers too heavy a burden on tenants or national Government. Will he likewise calculate the rent paid by tenants living in rented houses in cities and the total cash payment needed to purchase such houses and whether this also is not a burden on tenants? Does he know that even at Delhi under the very nose of land reform enthusiast, the annual rent of buildings in many cases amounts to as much as 20 to 25% of the total value of houses? If rent of land (which afterall in most cases is equivalent to the interest on the price of land) is immoral, why are banks or even our Government, charging interest on loan and not even sparing the displaced persons needing relief? Why do not the owners of factories or manufacturers supply their products without charging depreciation on machinery and interest on their investment? If there is nothing morally or legally wrong in the above people charging interest on their investment, then what is wrong with land owners in charging rent? In fact the farmers should be enabled by Government (by appropriate means as done in other countries) to sell their produce on the basis of their cost of production, and the cost must necessarily include either rent of land, if it does not belong to the cultivator, or interest on the value of land if the land belongs to the farmer himself. This is the practice, not only with people in all professions and occupations but is also a recognised practice in agriculture in Australia, U.S.A., etc., where their Government (in fixing prices of agricultural produce) *calculate rent of land as legitimate charge in the cost of production; and this burden, at any rate, falls on the consumer.* How do the tenants and national Government come in the picture and why all this cry, prejudice and fuss about land rents, so long as they are reasonable?

I have had to discuss this matter of land rent at length as Mr. Rao has depicted in his booklet as if rent collecting is the greatest possible crime being committed. I again repeat that so long as India believes in

the sanctity of private property and does not adopt communism as its pattern of society land must continue to be considered as good a property or asset as any other building or factory, and it has a certain value and accordingly interest on that value has to be calculated. There is nothing unusual or wrong, morally or legally so long as the rent charged is *reasonable and fair,* and it is the function of the Government to fix reasonable rent. I argue all this as a matter of principle and logic, in spite of the fact that I myself abhor the idea of people living a parasitic life depending on rent of land or city houses or other urban property or dividents on shares. Every one should be engaged in productive profession. *I do not like the idea of renting out lands.* People should either cultivate the land themselves or dispose of the lands to other cultivators. But reality is that leasing of land cannot altogether be eliminated in India and nor has it been eleminated anywhere *so long as rights of personal property are recognized.* A man may be cultivating his own land today but for numerous reasons (death of partner, illness etc.) he may find it inevitable to give up cultivation for sometime and he may want to take up cultivation again after a year or two, except under communism. It is an idle dream to abolish lease system altogether and only thing feasible is control of rent at fair limit.

Further, if quantum of compensation is too heavy as made out by Mr. Rao then why at all purchase land? The present system can continue, *Government fixing reasonable rent and taking steps to safeguard against exploitation of tenants.* Lastly, the compensation is not really so terrific as has been made out. Taking the example of PEPSU cited by Mr. Rao himself. Not only the surplus land over ceiling, but also if the land already under cultivation of tenants, is to be paid for in full in 20 years by instalments, then according to Mr. Rao's own calculation (pages 157-58) the total annual instalment for whole of PEPSU State comes to Rs. 80 lakhs spread over about 4 lakh and a half tenants, at the rate of about Rs. 15 per acre per year. Is it really too much for the cultivator to pay this small amount out of the income of his produce and in fact this is the amount that he must charge as interest on his investment even if the land belongs to him and this should form a part of cost of production which the consumer must pay as he does in the case of every other commodity even cloth, medicine etc. As regards 80 lakhs a year, which seems to have so much upset Mr. Rao, it may interest him to know that a certain multimillionaire only recently, has built a house near Calcutta costing about Rs. 90 lakhs, *i.e.,* more than the *total amount* to be paid in the whole State by lakh and a half of tenants during the whole year. Likewise another multimillionaire has built a bathing tank in the second storey of his building—a luxury which is rare even in U.S.A. and in Europe. Some how or other, our land reformers largely with urban outlook close their eyes to the condition in urban areas.

If the policy of confiscation of property (as recommended by Mr. Rao in the case of land) is to be adopted by our country and it should logically be extended to all other spheres then Mr. Rao may rest assured that there will be no dearth of money. There are thousands of capitalists, each owning property worth crores and crores, so that if the policy of our land reformers is to be accepted, *the property of only a hand-full of these capitalists can perhaps fetch enough money, not only for purchasing lands and giving the same free of cost to tenants but leaving some surplus for financing the Second Five Year Plan.* Twenty acres of land is worth only Rs. 6,000 to 20,000. Out of every thousand farmers, there are hardly a few who own 100 acres or more and the value of even 100 acres, at Rs. 500 per acre comes to only Rs. 50,000 which is equivalent to the property of a very humble man in the city so that far more money can be obtained by tackling other capitalists than by confiscating the land of owners possessing more than 20 acres who are deriving their bare livelihood by cultivating the same. Land reform enthusiasts again and again point out that only four lacs of people in rural areas are to be affected to work the miracle of land reform. Why not tackle a few thousand capitalists only, to work still greater miracle ? The disparity between them and penniless labourers is beyond imagination.

Exclusion of Landlords from Land Reform Committees

Whereas Communist China has corrected its mistakes and have repeatedly warned Peoples' Government at lower level not to antagonize the rich peasants but *to preserve rich peasant economy* and to associate them in all Councils, in democratic India, Mr. Rao on behalf of his party says, "Hence for the successful implementation of land reforms, it is essential that peasants Committees consisting of peasants, tenants and agricultural labourers or their representatives should be formed at the village, taluk and district levels from which the *landlords should be excluded* and which should be vested with full authority for implementation of land reforms." I am afraid Mr. Rao, and persons of his way of thinking, are too hasty, in concluding that India has already adopted Communism as its policy and owners of property are labelled as criminals. It would be in the larger interests of the country not to create bad blood between land owners and tenants and especially between big cultivators and small cultivators unless the very object under the pretence of land reforms be to create chaos and anarchy in order to haster Communism. Let us try to keep politics out of land reforms.

Partition of Family holdings among the Members of a Joint Family

Mr. Rao in his pamphlet (page 156 of this Report) and also majority members of the Committee have objected to the transfer of lands by their

owners in the name of their wives, daughters and sons and they suggest that all such transfers should be considered null and void with retrospective effect from certain date. Firstly, it is Government's own policy and the unwise, if not wild, statements made from time to time which have frightened the people not only to resort to above procedure but also to withdraw investment from agricultural lands which has given the greatest blow to agriculture. Secondly, presuming that India still believes in the rights and sanctity of private property and has not adopted confiscation of property as its immediate or distant goal, I ask, what crime, moral or legal, is committed by a landowner in transferring his own land to his sons or daughters who are, in any case the natural heirs to the property? Why do these land reform enthusiasts presume that India has already adopted Communism and that land has already been confiscated and belongs to Government, as it is on that presumption alone that such wild suggestions can be made? Urban people have palatial buildings, factories, shares and stocks and numerous types of other urban property besides millions in cash, to transfer to their sons and daughters and village people have nothing but land to give to their children. If Government is ever suspected of passing a tyrannical legislation that landed property of villagers even beyond a tiny piece of 20 acres worth only a few thousand rupees will be confiscated as recommended by land reform enthusiasts, then the least that the villagers can do is to transfer excess of their land to their children who are, in any case, I repeat, the natural heirs to the property or allow to sell land to landless within specified period as done in Egyptian land reform system. The other alternative is to goad the land-owners—especially the cultivators to take law into their own hands and face the consequences even at the expense of their lives, in which case their action will be fully condoned by those having any regard for elementary justice and who cannot fail to believe that it is wrong both morally and legally, and criminal to confiscate the property of villagers (even when it is not worth more than 10 or 20 thousand) but to allow multi-millionaires in cities to possess property of crores and crores—let alone highest paid employees—both in Government and private services drawing fat salaries and professional men, doctors, and lawyers charging fees by thousands a day. I am writing this with a full sense of responsibility. As repeatedly stated I am myself ready to adopt socialism or even communism any day if it is in the interest of our country, but so long as confiscation of property is not allowed by our Constitution, then elementary justice demands that all classes of people and all kinds of property are treated alike on an all-India basis, allowing no invidious class distinction.

U.K. Policy in regard to Land Utilization

Indian land owners claim that so long as India believes in the principle of rights and sanctity of private and personal property they should have the same freedom over their lands as owners of factories, buildings or

other properties in the urban area do. They should, however, understand that it is generally conceded in all civilized and advanced countries that since land is a source of national food, the State, in the larger interests of the nation, has some inherent right over lands but mainly with a view to *ensure maximum production of food* and in this connection, the example of U.K. is worth emulating as tenancy problem is also of great importance there.

U.K. Government has passed various legislations from time to time especially in 1948. While giving "Stability to Agricultural Industry" by guaranteeing sale of Agricultural produce at remunerative prices—(sometimes announcing price for several years in advance and granting liberal loans and subsidies, etc.) U.K. Government also demand efficiency from all parties concerned with land—whether landlords, tenants or owner-farmers. The landlord, not keeping his land in fit condition, can be deprived of his land through compulsory purchase of his land by Government. *The tenant cannot ordinarily be* ejected from his land except under certain specified conditions (and that also with the permission of Ministry of Agriculture) but he *can be summarily ejected from his land if "Certificate of bad husbandry against tenant"* is obtained from the appropriate authorities by the landlord. The owner-farmer *i.e.,* self-cultivating owner of his land, in the event of not maintaining a certain standard of efficiency, can be forced by the Government to take *"an approved tenant"* for his land. In short it is the *duty of the State to ensure maximum production from land* and every legislation and every step is motivated to that end, providing of course necessary safeguards to tenants.

U.K. also has a policy of settling "landless people" on land by leasing out Government lands or lands acquired from such landlords who are deprived of their lands for not maintaining prescribed standard of farming. Formerly Government did it as a measure of rehabilitation of the retired *soldiers, or other unemployed persons but bitter* experience of several years working, forced the Government to come to some definite conclusions namely (a) that future policy should be guided more by agricultural rather than social consideration as in the past, and (b) that it *was not wise to break up well-run and economic farms* and that it was important to maintain a proper overall balance between the larger and the smaller farms and (c) that would-be-tenants must have sufficient experience to ensure success in farming and (d) that they must also be in a position to meet at least 25% of the expenditure required for farming because experience had shown that like any other profession, agriculture industry also required both experience and finances; and giving lands to those with no previous experience of agriculture or with inadequate finances, did not result in benefit either to the State or to those settled on land.

India should do well to insist on all concerned—landlords, tenants, and owner farmers, to maintain certain efficiency in farming if it is to build up its rural economy on solid foundation. A poor country like India with its newly won freedom, would go to walls if its policy is not guided by increased production. *This slogan of "land to the landless" just to satisfy foolish land hunger is extremely dangerous.*

NEED FOR STUDYING LAND PROBLEM IN TRUE PERSPECTIVE

(*a*) *Why anxiety for land ownership*—I have already given some idea of *"the economics of Indian farming"*. The question arises that if farming occupation is really so unremunerative, why has there been such a great anxiety from time immemorial, on the part of every well-to-do person to buy land? Reply is very simple. This is *not* because farming was or is a highly paying proposition but because land has been a safe investment and could be easily let out on cash rent or crop share basis; and since there was no law to regulate rent the dividends or profits accruing to the landlords have been heavy. Study of all the "so-called large scale farming" in the Punjab in pre-partition days (whether farms of big corporations like British Cotton Growing Association—B.C.G.A. or farms of collosal size run by late Sri Ganga Ram and others) would reveal that they were largely (if not entirely) tenant-run-farms and not direct cultivation farms. If the landlord was intelligent and knew the *"Principles of Good Farming"* and could guide his tenants in Agricultural operations and also if he had the financial resources to help the tenants in times of need, it resulted in higher standard of farming, and accordingly the prescribed share of crop (*i.e.* 50%) amounted to much more than in the case of a landlord who could provide neither technical guidance nor financial assistance to his tenant but his half share of crop was safe just the same. Even some of the Government Seed Farms were run by tenants. Good tenants were always amply rewarded and inefficient tenants had to suffer. It was for this reason that, even though the tenants had to pay more or less the same share of crop to all landlords, yet the tenants always rushed to good landlords who could help in producing high yields which naturally gave advantage to both the landlords and the tenants.

(*b*) *Tenant farming more remunerative than direct farming*—Those conversant with Indian Agriculture know full well that (*i*) landowners being frightened by the new tenancy laws, have become reluctant to give lands to tenants otherwise, under the present-day agricultural economy, farming through tenants is far more profitable than direct farming through hired labour especially when heavy wages to the staff and to the labour as specified by Government are to be paid for, (*ii*) Direct farming is a paying proposition only under special favourable circumstances, and that also, *only if* the owner is prepared to give personal attention to each and every field and to each agricultural operation on the farm and has necessary funds to meet both capital and recurring expenditure on the farm.

Those who speak of "Absentee landlords" getting their lands cultivated by hired labour and yet making profit, are merely betraying their ignorance of practical farming, (*iii*) The very economics of Indian farming serve as a natural check on the cultivation of abnormally large area, as lack of supervision over labour or inefficient cultivation through hired labour, must inevitably result in heavy loss and nobody is foolish to incur loss year by year.

(*c*) *Easy solution of Land Reform*—If our land reform enthusiasts may (*i*) adequately understand the economics of Indian farming (and they can have a good idea of this from hundreds of Government Commercial Farms or from numerous other reliable and authentic sources), (*ii*) *not confuse profits in actual farming with those accruing from land ownership* as cash rent or crop share, the problem of land reform, (which is being made so complicated and which is unnecessarily creating such bad blood in rural areas) would become extremely simple. All that is required to be done by the Government is to *force land owners either to cultivate the lands themselves or to lease it out to tenants only on prescribed terms.* Government may prescribe the rent of land (either cash or crop share) and enforce it rigorously and ensure that there is no *camouflage practised,* self-cultivating farmers and those who get the work done through hired labour which is permissible even in communist China as already discussed) would *not take long to realize that* either they must maintain a very high standard of farming (which if they do, will be in the best interests of the country) or in the event of low standard, they must inevitably suffer loss and nobody can afford loss for long. They will automatically be forced to either lease out their lands to tenants on terms *prescribed by Government* or sell their lands and in both cases the object of Government will be achieved, *i.e.,* eliminating parasitic landlord and making land available to tenants without creating bad blood, or class hatred in rural area or giving impression of invidious distinction between rural and urban people. I again repeat that so long as Communism or Confiscation of private property does not become the pattern of our society, and rights and sanctity of private property are guaranteed by Indian Constitution the method suggested above is the only one that can achieve our objective in land reform without creating chaos in the rural area. To think of fragmenting commercial farms, confiscating lands without compensation or at nominal price or fixing ceiling even for self-cultivation at such an absurd low level as thirty acres, preventing owners to sell their land or to transfer the same in the name of their children etc., would only create chaos and disorder and lead to anarchy in the country.

Plain fact is that *worst sting in land exploitation is already removed.* The big estates of zamindars who were only "Rent Collectors" and who contributed little to the development of land, have been liquidated and if

any are still left they can likewise be treated. The rent of land at reasonable level either in cash or in kind has been fixed or is being fixed in most places and fixity of tenure is guaranteed to the tenant. In regard to fixity I must emphasize that it is most detrimental to the larger interests of the country not to compel the tenant to maintain at least a certain minimum standard of efficiency in farming. Otherwise if the tenant is not to be ejected even for poor cultivation, it means putting premium on inefficiency which will prove disastrous to India's rural economy. Any number of instances can be cited where tenants (Harijans and others) having got fixity of tenure, but having no financial resources and little interest in Agriculture, are neglecting land and are themselves living largely on income from other sources like cartplying, collecting fuel wood for sale in city etc. I again repeat that so long as Communism is not adopted, Indian Government cannot do more than to guarantee to the tenant, fixity of tenure and reasonable rent and further financially helping the efficient and frugal tenants to raise their standard of farming or even to purchase land at reasonable price which should bear some relation to market price. Wild schemes of taking over all agricultural lands from owners of more than 30 acres, either free or at nominal compensation and distributing the same to all and sundry in small bits betrays lack of sobriety and Agricultural knowledge and ignores bitter experience of other countries.

DANGER OF COMBINING DRAWBACKS "OF BOTH COMMUNISM AND PRIVATE ENTERPRISE"

Lastly our land reformers seem to be hoping that their plans and programme are designed so as to avoid the evils or drawbacks of both "the private enterprise" and "of Communism". But the greatest danger (bordering on reality) is that contrary to their pious wishes or hopes, their plans will suffer from the chief drawbacks of both and not benefit from the saving feature of any, *i.e.* (a) neither the good resulting from the element of compulsion in "Collective farming as under Communism" and (b) nor the incentive of "profit motive" *inherent in private* enterprise, as is already too evident in the Co-operative or Collective Farming enterprises so far undertaken in India. The sooner this bitter truth is realised the better for the country and the lesser the danger of subsequent frustration.

LAL SINGH, M.P.
(*Formerly Director of Agriculture, Punjab*).

APPENDIX

Some instances of co-operative farming societies alongwith the remarks of the Evaluation Officers of the Planning Commission on the working of the same are reproduced below :—

1. *Co-operative Farming Society, Vihad (M.P.)—Big block of* 3,171 acres forest land given by Government free of cost. Also no less than rupees five lakhs (Rs. 5,000 to each member) given by Government (about Rs. 1.5 lakhs as straight grant and Rs. 3.5 lakhs as loan) payable in twenty years; besides concession in land revenue and irrigation rates. In six years only 10% area was reclaimed. The working proved a miserable failure; "44 out of 100 members disappeared and the amount given to them will have to be treated as bad debts". "Members considered that it was the duty of the Government to do everything for them. ......All these men proved dishonest. Losses were due to pilfering at which all the members of the society connived.............unlawful gains were shared by the members".

2. *Vallabhpura Co-operative Farming Society, Thalikattee Kewal (Mysore)*—63 families given 762 acres of Government land; it is practically Government concern, S.D.O. being President. "Society has received over Rs. 10,000 as grant and subsidy alone, no land revenue has been charged. Tractor ploughing has been done free of charge for reclaiming land. There is lack of enthusiasm for co-operative methods and there is demand for distributing the land into plots for individual cultivation by members".

3. *Karlkatti Group Sahakari Samulik Okkal Tanada Sangh (Belgaum—Bombay)*—Society of mostly landless labourers "Collective farming was tried in the first instance. Work did not proceed well and reclamation was very slow. There was also misappropriation by the Secretary. Land has been distributed among members for individual cultivation. Government have given Rs. 4,500 as loan and subsidy also".

4. *Halaganahally Depressed Class Co-operative Farming Society Kalapur (Mysore)*—43 members given 240 acres Government land. The society has received Rs. 50,000 as grants from Government. This comes to over Rs. 200 per acre. S.D.O. is President. "There are complaints that some members do not put forth enough labour. There is a strong feeling among the members that the land should be distributed for individual cultivation".

5. *Gopabandhu Joint Co-operative Farming Society (Orissa)* : 187 acres Government land given in 1950. Out of 17 members only 8 work on farm. "Due to shortage of labour power, work has been rather slow. Only half of the area was reclaimed and since they did not follow up cultivation,

forest vegetation has again grown up. In 1953-54 the Society had to lease out 30 acres. There is much dependence on the State for finances and technical assistance. Total assistance given so far amounts to over Rs. 50,000, besides the services of Co-operative Department Supervisor"

6. *Joint Farming Multi-purpose Co-operative Society, Karikere (Mysore)*—"The produce has not so far been sufficient. The agricultural standard in the farm has not sufficiently improved. There is also not enough enthusiasm among the members for co-operative methods".

7. *Sewanagar Co-operative Farming Society, PEPSU*—The society has received Rs. 35,000 from the State—Rs. 22,660 as subsidy and Rs. 12,000 as loan—"no ownership dividend has been paid so far".

8. *Soddya Co-operative Farming Society (W. Bengal)*—Society formed in 1950 with 34 members who have pooled 305 acres of their land. Work done largely through hired labour. Society has received from Government a subsidy of Rs. 10,500. It has also taken on lease 100 acres of land and resulted in a loss of Rs. 12,000.

9. *Rasulabad Co-operative Joint Farming Society, Bombay*—29 members leased out their own lands, 440 acres for 10 years to the Society. Rent is only 6 per cent of the land value. Society has received from Government Rs. 34,834 as loan and Rs. 21,116 as subsidy or a total of Rs. 56,000 which comes to about Rs. 130 per acre. Inspite of all this (*i.e.,* only 6% as rent of land and such huge assistance from Government, the members of Society are getting Rs. 1/8/- per day as wages which is said to be higher than local rate.

10. *Uttam Joint Co-operative Society, Dabra (M.B.)*—Listed as one of the most successful Societies has shown profits of Rs. 8, Rs. 17 and Rs. 16/8/- during last three years inspite of yields of crop being unusually high, 150 to 200% higher than the average and wages paid as low as Rs. 30 p.m. to members as against prescribed wages of Rs. 45 by Government.

11. *Co-operative Tenant Farming Society, Malkanpura (Hyderabad)*—Here the land rent is only ten annas per acre for 3476 acres and 125 acres of land free from Government. Balance sheet not given.

12. *Losari Gutlapadu Land Colonization Society, Andhra*—Government has given free land, also Rs. 25,000 as grant and Rs. 21,000 as loan, members having subscribed only Rs. 10 each. Balance sheet not given.

A NOTE ON THE SIZE OF HOLDINGS

BY

DR. RADHA KUMUD MOOKERJI, M.P.

It is now practically agreed on all hands that there should be a ceiling on agricultural holdings to measure on an average 30 to 50 acres. There are differences of estimates as to amount of ceiling in different States in accordance with their different agricultural conditions.

The main objective to which these agricultural reforms in their different forms must ultimately fulfil is also universally admitted to be the increase of agricultural production both in point of its quantity and also its rate of yield per acre. India lags far behind many countries of the world in this respect. The rate of yield per acre in India is something like one-fourth of the standard attained in most other countries. Against an average yield of paddy of 1,050 lbs. per acre per annum in India, Japan produces 3,580 lbs. and Italy 4,250 lbs. Even an industrially advanced country like Western Germany has attained eight times the standard of India's agricultural production. The most paramount need of the country is to raise its *per capita* food consumption which is at present hardly half of the standard of required nutrition in terms of either calories or weight.

The main reason for this paucity of agricultural production in India is that it is generally carried on in undersized, uneconomic holdings and subsistence farms in which the limit of intensive cultivation has been practically reached. These uneconomic holdings vary in size between 1 and 3 acres. India's millions of agriculturists are working on these small farms without any profit to themselves or to the country.

From this point of view, the ceiling becomes a necessity in order that the surplus land which may be released thereby will be available in the first instance to bring the uneconomic farms up to a standard size so as to make efficient agriculture possible.

Ceiling must apply equally to landlord and tenant. It also gives scope to the individual cultivator to cultivate the ambition of increasing the size of his farm up to the limit of ceiling.

Ceiling will necessarily carry with it compensation. For parting with his surplus land, the landlord will have to be compensated, firstly, for the loss of his cultivation rights, and secondly, for his loss of ownership rights. This compensation will also apply to the tenants. The provision for ceiling is inconsistent with the creation of additional uneconomic holdings in the country, while the fixation of ceilings may be the general rule. I think that provision should be made for making exceptions in certain cases so that the food production in the country may not suffer a reduction. Ceiling is

to be coupled with a standard of agricultural production. Farms which have attained to the standard during a sufficiently long period may be allowed to continue as such even if their size exceeds the ceiling. Efficient agricultural farms should not be split up immediately on theoretical considerations as to ceilings. Besides such large farms which are contributing most to production must be very few and far between, but where such large farms do not come up to prescribed standard of farming, they may be broken up, leaving the ceiling to the owner, provided that in this process of splitting up the larger farms there is no danger of reduction in production.

Again, there are certain types of agricultural production of which the success depends upon its being run on a large scale. This includes plantations of tea, coffee, jute, sugarcane, rubber and fruit growing orchards. There are several sugar factories which find it necessary to grow their own cane as far as possible in their own agricultural farms. The ceiling in such cases should not apply, provided the sugarcane thus grown is used up as raw material for the factory.

It is also necessary to find some difference in regard to land which grows food-grains, pulses, or fodder and the land which is used for growing commercial and cash crops like cotton, jute or groundnuts. For such specialised farming, the ceiling is to be put at a higher amount than that for grain areas.

Another case for exceptions is the land taken from Government for purposes of reclamation and cultivation involving heavy initial expenditure for which the individual owners are entitled to compensation. To start with, such lands should not be subject to ceiling. There are large allotments of this kind of waste land brought under the plough in the Terai regions, U.P.

There are, again certain cases of land which includes in it land that is uncultivable. There is no point in fixing ceilings where the land that is in excess of ceilings has no demand.

The question of floor is somewhat connected with that of ceiling. It should not be so low as to lead to uneconomic holdings. The surplus land available from fixation of ceiling should be given in the first instance to small farms to bring them up to the floor. After this is achieved, the surplus land is to be given to landless labour, provided it does not fall below the floor.

The conception of personal cultivation should leave way open for educated and resourceful persons to take to farming. This will operate as an important factor in village uplift by creating the much needed drift from the city to village. The ceiling will act as a deterrent to this much needed social movement.

MINUTE OF DISSENT

BY

SHRI N. PRASADA RAO, M.P.

INTRODUCTION

Even today, Indian economy remains essentially an agrarian economy, where 58 per cent of the national income is derived from agriculture. In what is usually described as the industrial sector also, real large-scale and modern industry is very meagrely developed, with hardly 2 per cent of the country's total population forming the industrial working class employed in organised industry. Consequently, the country suffers from an extremely backward economy and "we are still living in a cow dung age", as was aptly described by the Prime Minister, Mr. Nehru, where the overwhelming majority of the population, particularly the rural agricultural population, lives in abject poverty, wretchedness and ignorance unparalleled in any other modern country of the size and history as India. The liquidation of this colossal backwardness and the rapid industrial and agricultural develpment has become the prime concern of and urgent need for the nation. The working out of the Five Year Plans, the various development schemes and projects contemplated, the proposed agrarian reforms, etc., are to be viewed as nothing except a big effort intended towards that direction. I am of the opinion that the agrarian question is the key link and forms the axis around which all other problems of genuine national reconstruction and advance revolve. Hence it is from this angle that one has to approach the various aspects of ceiling on landholdings.

The All-India Kisan Sabha was the first to raise this slogan of ceiling on landholdings. In the meeting of the Central Kisan Council, held in Bombay from September 7, 1945, it adopted a "Charter of Kisan Demands", which, for the first time, raised the slogan that a maximum limit on land possessed be put. This was further emphasised and concretised by another resolution of the Central Kisan Council in its meeting of November 26, 1946, held in Calcutta, which reads thus :

"With a view to abolish landlordism on the basis of social justice, the Council urges upon all Provincial Governments to adopt immediately comprehensive legislation on the following principles.

"(4) The existing landholders, both in the zamindari and ryotwari areas, shall be allowed to possess land for self-cultivation only up to the maximum limit of 25 acres per landholder. Such land for self-cultivation should in no case be acquired in zamindari areas by ejecting tenants or share-croppers but should be taken only from that part of landlord's estate which has hitherto been directly under his own cultivation."

As recently as in September, 1954, in its Twelfth Annual Session, the All-India Kisan Sabha, has passed a resolution reiterating its stand on ceiling on landholdings, which guides all the activities of the Kisan Sabhas today.

Ever since the demand was first raised by the AIKS, it began gaining strength and when, later on, the Congress Agrarian Reforms Committee, popularly called "Kumarappa Committee", also voiced the same demand in 1949, it has assumed a national character. The First Five Year Plan also recommended a ceiling on landholdings and thus raised it to the level of State policy. Though nothing noteworthy has been done so far in concrete terms, there is no going back on it. The task of the Planning Commission is now to see how and in what concrete terms ceiling on landholdings be applied and work out details for it.

Why Ceiling?

Arguments are advanced that there is no justification in putting a ceiling on landholdings when there is no ceiling on other properties in the urban areas. But there is no comparison at all between the two. We want to put a ceiling on landholdings because landlordism is a fatter on the productive forces and is the basic factor retarding the development not only of productive forces in agriculture but also of industry, trade, etc. Industrial profits, save the monopoly profits, in the present phase of our social development, do not stand in the same category. Hence, whereas a ceiling on landholdings is the immediate and primary demand, a ceiling on industrial profits, in the present context of things, is not so. The two should not be counterposed and on that score ceiling on landholdings be denied.

Why do we advocate ceiling on landholdings? It is a universally accepted fact that today vast amount of land is monopolised by a handful of landlords and the overwhelming majority of the actual cultivators are either completely devoid of any land or possess bits of land insufficient to give them even a meal a day or to give work even for a few months in the year. Unless landlordism is abolished, unless land monopoly is broken up, the productive forces in the rural side cannot develop and any reorganisation of agriculture on a rational basis would not be possible. Ceiling on landholdings will be a step in this direction. It will break monopoly of land by the landlords and greatly weaken their grip on agrarian economy; it will give land to the poor peasants and agricultural labourers, who are the actual tillers of the soil; and it will give higher returns for the work done by a landless peasant in land, in that, he and not any landlord, appropriates all that is produced on land.

Hence a ceiling on landholdings, must be imposed here and now, so that no person owns land above the ceiling. *However, the ceiling should not be applied to enable landlords, as is being done today, to resume land*

which has been leased out to tenants; these lands should be given over free of any charge to the peasants who are in cultivating possession of them, provided the small landowners, who have no other substantial means of living and who lease out their lands and take to other professions like school-teachers, petty traders, shop employees, etc., should be given the option, either to resume land for self-cultivation or to continue to lease out their land, subject to the compliance of the tenancy laws. Ceiling should apply to all other land under personal cultivation of the landlords.

FAMILY HOLDING

There was a discussion as to what should be the basis in terms of which the ceiling could be fixed—a family holding or an economic holding. Family holding, in my view, is a plough unit, *i.e.*, the area of land which an average-sized family of five could cultivate with a pair of bullocks and with the assistance of wage labour customary in the locality. This holding would keep the family labour as well as its bullocks and other implements fully engaged. Generally it would give throughout the country, an income sufficient for the maintenance of the family in reasonable comfort. But doubts were raised that in some cases, as in areas of poor soils or rocky soils, such a family holding may not give enough income even up to the national minimum. So, it can be agreed that either a family holding or a unit, which gives an annual net income of Rs. 1,200, whichever is greater, should be the unit. The reasons for putting Rs. 1,200 net per annum is that it corresponds to the average *per capita* national agricultural income of Rs. 500.

CEILING AT TWO FAMILY HOLDINGS

What should be the ceiling?—this is *the* question. The angle from which the question of ceiling is looked at gives the answer. If you look from the angle of giving greater encouragement to capitalist farmers and large-scale mechanised cultivation, the ceiling would be necessarily high; from the angle of removing glaring inequalities in agricultural incomes, high taxes would serve the purpose. But neither of these would be of benefit to the overwhelming majority of the people living on land today. It may give greater help to the biggest landlords for mechanisation and so on or it can pour greater tax revenues to the State; but neither a single peasant nor a single agricultural labourer or tenant would be benefited by such ceiling. Therefore, the only criterion in deciding the limit at which the ceiling should be put is whether it helps eliminating landlordism and gives land to the poor landowners, tenants and agricultural labourers, thereby releasing the productive forces in agriculture from the shackles of landlordism and developing the purchasing power of the masses and expanding the home market or not. If it is not for this purpose, there is no purpose in putting a ceiling on land holdings except to put it in the show-room of land reforms and boast about it.

An argument usually made by landlord sections who oppose any ceiling at all is that there is not enough land to go round for distribution to peasants and agricultural labourers. But figures prove this to be completely baseless. The following will give us a sample as to how much land will be available for distribution and how much land each family can get.

(In this connection I would like to point out that the census of land-holdings recently taken is extremely unsatisfactory. I do not want to dilate on it here, but wish to point out only one defect. It does not give us the census of holdings below 10-acre size. In the absence of these figures it is impossible to find out the percentage of big landholdings and percentage of land held by them.

For the purpose of argumentation I have taken 20 standard acres as roughly equal to two family holdings or economic holdings. This is just a very rough calculation.)

PEPSU (Plain tracts)

Number of landholders having 20 standard acres each and more	16,287
Land held by them under personal cultivation (in standard acres). ..	6,44,846
Excess land, if ceiling is put at 20 standard acres	3,19,106
Agricultural labour families in the State as per the estimate of the Agricultural Labour Enquiry	70,000
Number of poor peasants, having less than a basic holding, *i.e.*, one-third of a family holding each, will be about 5,000 (holdings below 5 acres being 6,632)	5,000
Total families of both categories may be	75,000
Land that can be distributed per family (in standard acres) ..	4·25

Saurashtra

Number of landholders having more than 20 standard acres each	94,249
Land held by them under personal cultivation (in standard acres) ..	30,96,393
Excess land, with ceiling at 20 standard acres	12,11,413
Number of agricultural labour families in the State	99,000
Families of poor peasants may be (holdings below 2·5 acres each being 20,430)	25,000
Total families of poor peasants and agricultural labourers may be	1,24,000
Land that can be distributed per family (in standard acres) ..	9·7

For the other States, either the number of agricultural labour families or the number of poor peasant families are not available for me from the sources; but the same picture, with some margin, can be assumed in those States also. So to get a rough idea only, the following figures are being quoted. (In all cases, for purposes of comparison, I am assuming the ceiling at 20 standard acres).

Punjab

Surplus land (in standard acres)	5,58,000
Number of holdings affected	42,000
Number of agricultural labour families	1,83,000

Madhya Pradesh

Surplus land	25,16,000
Number of holdings affected	1,10,000
Number of agricultural labour families	14,96,000

Bhopal

Surplus	4,97,000
Number of holdings affected	21,000

It is a matter of regret that census on landholdings for other major States like Uttar Pradesh, Bihar, West Bengal, Madras, Andhra, Travancore-Cochin, Mysore and Orissa are not available, but they would make an interesting study and I hope the census figures would be made available soon.

These figures show that the argument made that no land is available for distribution is baseless and false.

Usually, another argument brought against ceiling is that it would result in a fall in production. This is again a false argument and is proved by the living example of People's China. The following extract from the Report of Mr. Teng Tse-hui, Director of Department of Rural Work of the Central Committee of the Communist Party of China, will show that abolition of landlordism and distribution of land will, instead of retarding agricultural development and production, in reality increase it.

"The physical changes were striking in themselves. In the whole course of reform 47 million hectares of land, countless draught animals, farm implements, houses and food stocks changed hands. Changed that is, from the hands of the landlord class, to be distributed to some 300 million peasants who had previously held little or no land, and lacked means of production. Available statistics for the later liberated areas of East China, Central-South China, North-West China and South-West China show that, in the agrarian reform movement from 1950 to 1953, in addition to land, more than 2,960,000 head of draught animals, 39,440,000 pieces of farming tools, houses containing 37,950,000 rooms and over five million metric tons of foodstuffs were confiscated from the landlord class. With the liberation of the peasants from feudal land relationships, the productive forces in the countryside obtained a new lease of life. Now that the peasants possessed land and other means of production of their own and tilled their own soil, their enthusiasm knew no bounds. Productivity has increased markedly. With the abolition of exorbitant rents, harvests now yielded a 'profit' to be ploughed back, equipment could be brought or repaired, and irrigation schemes initiated or increased. The People's Government stood behind them, with financial and technical help—in 1953, for instance, the total loans granted amounted to ten million million yuan, and in the same year, major irrigation works were started and pest control teams sent out

on a large-scale. In consequence there was now a firm basis on which production could develop rapidly. In 1952, grain production on a national scale exceeded the highest figures ever reached before the War of Resistance to Japanese Aggression. Naturally, with this went an increase in the purchasing power of the peasants. Already in 1951, the purchasing power of the nation as a whole increased by some 25 per cent as compared with 1950. All these factors make it possible to go forward on the broad road of socialist industrialisation of our country. The average peasants' standard of living improved generally, as may be seen by the proportionate rate of increase in the number of middle peasants. In the areas where agrarian reform had long been carried out—the old liberated areas—they constituted 80 per cent of the rural population, while the proportion rapidly grew to over half in the areas where reform came later.

"Through agrarian reform the peasant masses were aroused, organised, and led to become the ruling power in the countryside : the worker-peasant alliance was strengthened and the foundation of the people's democratic dictatorship was broadened and consolidated.

"Inestimable benefits such as the subsequent elevation of the living standard of the peasants flowed from agrarian reform. More schools were opened, more reading facilities provided, and more scope given for the development of other cultural activities in the countryside. Adults, who were illiterate before, now 'go to school' and learn to read, both in special winter schools, when they can be spared from the land, or to year-round people's schools. Of more than 55 million children now attending school, the majority are boys and girls of the peasants. New life burst out. Plays, folk songs, dances came back in strength—recreation in the true sense of the word came to the peasants. Modern scientific knowledge, understanding of hygiene was spread, and labour, instead of being regarded as drudgery, came to be regarded as a matter of honour.

"Such is the harvest of agrarian reform, the new face of China's countryside after agrarian reform". (*The Outstanding Success of the Agrarian Reform Movement in China,* pp. 15—17).

I am of the definite opinion that the stock arguments made against ceiling need not deter us from putting a ceiling at an appropriate level. This level should be such that, as demanded by the All-India Kisan Sabha, it breaks the land monopoly of the landlords and gives land to the landless and land poor peasants. Also it should be such that it would not touch the land of actual working peasants, which should be completely and fully protected. *Hence, I am in favour of ceiling at two family holdings or economic holdings as defined above.* This would leave all peasant holdings intact and give them enough scope to take up to intensive cultivation, even and increase production.

Productive Forces will Develop

We also often come across a stock-in-trade argument that abolition and distribution of land to tillers would adversely affect the agricultural production and hence, there should be no ceiling or distribution of land. This argument is more vigorously advanced against ceiling being applied to mechanised farms, as in their opinion, the parcelling of such farms would undermine the greater productivity in such farms. These objections are utterly untenable and hence have to be rejected because of the pertinent reasons I give below. First of all, when we talk of unleashing the productive forces of the country, we mean the development of our overall national production of wealth, but *not of any particular branch in any particular transitional period.* In the final analysis, greater production can be obtained by the speedy industrialisation of the country; and real development of agricultural production also can take place when the advanced, modern technical means are applied to it, which again is possible only under highly developed, modern industrial economy. Such a big scale industrialisation demands a vast and powerful home market for the consumption of the constantly increasing production of industrial goods and it can and has to be created only by giving land to the millions of poor peasants and agricultural labourers and releasing the tenants from the burden of rent and thus develop the purchasing capacity of the overwhelming majority of our people. Once this overriding consideration for agrarian reforms is set aside and forgotten, then it is certain that the entire scheme of our national planning falls to the ground.

Secondly, there is hardly even 1 per cent of the total cultivated land in our country which can be called large-scale farming, where real and modern technical means are applied and as such, the argument that large-scale farming is technically superior to small farming reduces itself to a mere academic debate. In practice, the exclusion of such so-called efficient and large-scale farms would result in the exclusion of a number of big landed estates, on the plea that each one of them possesses either a tractor or a tube-well or an oil engine and so on.

Thirdly, admitting from a theoretical point of view that large-scale, mechanised farming is more productive, yet, I am of opinion that it could not be advanced against the more fundamental interests of national production as a whole, which will be immensely helped and enlarged by the distribution of land and the creation of a stable home market. The temporary and transitional setback in production by a very small percentage by the break-up of such large-scale farms, would in turn be compensated several fold by the increased production as a result of land distribution.

Hence under the spurious plea for mechanisation, use of improved technique, attracting enterprising persons into agriculture, etc., the question of putting a proper ceiling so as to break the monopoly over land and

distribute land to the landless and land poor should not be sacrified or made a caricature of.

Superficially weighty argument against ceiling on landholdings or at least, on a reasonable ceiling, is made on the score of investment and disinvestment in agriculture and capital formation. Observations of the Committee of Direction in the Rural Credit Survey have been quoted in this connection. It has been tried to make out that (*a*) capital formation is larger in the case of larger landholdings, (*b*) investment also is greater in this category of landholdings, and (*c*) expenditure per unit is greater in small landholdings, and on that basis ceiling opposed. But a careful study of the Rural Credit Survey Report and the observations made therein do not lead us to the conclusion that ceiling on landholdings would retard either capital formation or greater investment in agriculture. Hence it is necessary that we go into these points a little more deeply.

The Rural Credit Survey Report says about 'Investment and Disinvestment' that :

"As regards cultivators, the broad position is that in nearly three-fourths of the districts the big cultivators showed a positive balance. In two-thirds of the districts, the large cultivators showed a positive balance and in all except a few districts, the small cultivators showed a negative balance position; for the medium cultivators, negative balance emerged in the case of a large majority of the districts." (Vol. I, page 61.)

But what are the items included in the 'Investment' and 'Disinvestment'? They include borrowings and re-payments and purchase and sale of assets, etc. So, moneylending, purchase or sale of house or house-site, etc., form part of this investment or disinvestment. These do not strictly relate to agriculture and so do not show the real state of affairs with regard to investment in agriculture. Generally, it is the big landholders—landlords—that carry on such transactions—moneylending, paddy loans, etc., and all these transactions come in their favour as investment. Hence, investment by big landholders does not necessarily mean investment in land and agriculture.

Regarding the argument that the larger the size of holding the greater the output per unit, the following observation is quoted from the Rural Credit Survey Report :

"The value of gross produce per cultivating family generally increased with the increase in the average area sown. An increase in the value of gross produce per acre was also associated with an increase in the total value of gross produce. The average area sown per cultivating family increased from about 5 acres to about 60 acres between cultivating families with value of gross produce less than Rs. 200 and those with value of gross produce above Rs. 5,000; at the same time the value of gross produce per acre increased continuously from about Rs. 20 in the former group to about Rs. 135 in the latter." (*Ibid,* pages 67-68.)

But this conclusion itself is based on weak facts. The Survey Report itself says :

"The data relating to farm business have been classified into a number of divisions on the basis of the value of produce. On comparing the classification of cultivating families on the basis of value of gross produce with that on the basis of cultivated holdings which gives the division into deciles and into the lower and upper strata, it is found that the two do not correspond completely." (*Ibid,* page 66.)

Thus the Survey Report itself admits that the divisions on the basis of value of gross produce do not correspond to the divisions on the basis of size of landholdings. Then, why cling to them to prove an important fact ?

My practical knowledge of current Indian agriculture shows me a different picture. The large size of a holding does not necessarily show a larger yield per unit. This can be explained by the fact that though the holding is big, the technique used therein is the same. Though big landlords have the advantage of commanding more capital, securing aid, etc., the small peasant will substitute this by intensive labour, greater attention to the farm, etc., and gets, often, a higher yield per acre also. Anyhow, the difference will not be between Rs. 20 and Rs. 135 per acre gross produce as the Survey Report averages show. I can cite any number of examples where the per acre yield is greater in the small peasant holdings than in those of big landlords.

I would like to draw attention to the ceiling imposed in Japan in 1946. I will quote the provisions from the Land Reform Law, summarised by Kaki Gwada, Minister for Agriculture and Forestry, Japan, (taken from the paper "Ceiling on Landholdings in Other Countries", circulated by the Land Reforms Division of the Planning Commission).

"The main provisions are as follows :—

"(1) The Government purchased all absentee-owned land.

"(2) Resident landowners were permitted to retain an average of 2.5 acres of tenant-cultivated land; and in Hokkaido, where land is more plentiful, an average of 10 acres; everything above that limit had to be sold to the Government.

"(3) Owner cultivators were restricted to the ownership of an average of 7.15 acres in the islands of Honshu, Shikoku and Kyushu and to an average of 30 acres in Hokkaido. However, they may be permitted to cultivate more if the productivity of land is lowered by sub-division or if the holding is cultivated by family labour".

This shows that in Japan, in general, the ceiling is put at 7.15 acres and yet Japan's productivity of land in much higher than ours. Therefore, it is futile to argue against ceiling on landholdings of large-size on the score of production.

Capital formation will not be retarted

Lastly, an argument has been made on the point of capital formation. It was argued that capital formation is greater in large farms and very small in small farms. The figures quoted are the following :

Capital formation in the large farms is two-thirds of the total.

Capital formation in the big farms alone is two-fifths of the total.

Since figures are quoted, let us examine them more closely.

The Rural Credit Survey Report says that :

"Of the total gross expenditure by cultivators on capital formation for the country as a whole, nearly two-fifths was by the big cultivators and about two-thirds by the large cultivators". (Vol. I, page 53.)

Who are these big cultivators and large cultivators ? The Survey Report itself says of this :

"Some of the Survey data pertain to the size of cultivation of different classes of cultivators, that is to say (in the sense explained in the introductory chapter) of the 'large' cultivator (first 30 per cent in the village), the 'medium' cultivator (middle 40 per cent) and the 'small' cultivator (last 30 per cent), besides the 'big' cultivator who represents the top 10 per cent that is included in the first group. Certain all-India averages may be mentioned, subject to the caution that the variations from these for different States are considerable. The large cultivator cultivates 58 per cent of the total sown area. (Within this group, the corresponding figure for the big cultivator is 30 per cent). The medium cultivator, numerically two-fifths of the cultivators, has less than a third of the sown area under him. There is an even steeper descent when we come to the small cultivator. Though he constitutes 30 per cent of the total number of cultivators, his sown area is just a little more than a tenth of the total area sown by all cultivators."

(Volume II Page 22)

Let us analyse now. The big cultivators, who form 10 per cent of all the cultivators, hold 30 per cent of the total sown land and the capital formation in their case is 40 per cent. The large cultivators, among whom are included the big cultivators also, form 30 per cent of the total cultivators and possess 58 per cent of the total sown land and their capital formation is 67 per cent of the total. If we exclude the big cultivators from this category, then the other large cultivators will be 20 per cent of the total cultivators, possessing 28 per cent of the total sown area and their capital formation will be 27 per cent of the total. So what is the resultant picture ?

40 per cent of total capital formation is formed on 30 per cent of the total sown area possessed by the big cultivators.

27 per cent of the total capital formation is formed on 28 per cent of the total sown area possessed by other large cultivators.

Together, 67 per cent of the total capital formation is formed on 58 per cent of the total sown area, possessed by all large cultivators.

What is spectacular about it? Does it conclusively prove that larger capital formation is being formed on large cultivation holdings. It is wrong to hide the land concerned and show only that 67 per cent of capital formation is formed in 30 per cent of the holdings. The truth is that 67 per cent of capital formation is formed on 58 per cent of the total land, which is no wonder at all. Hence the question of capital formation should not be made an *argument against ceiling*, or against a ceiling at a reasonable level.

There is another relevant question to be considered in this connection. How is this greater volume of capital formation formed in large holdings? Is it because of greater efficiency, higher yield and lower costs, etc.? No figures are available for this. Actual experience does not bear this out. The largest number of large farms are cultivated by the same technique as the small farms and so larger capital formation cannot be accounted for by the use of higher technique. The other factors may contribute a little but not necessarily. My opinion is that this larger capital formation on large farms is mainly due to State's assistance largely going to them. The Rural Credit Survey Report itself says how the big landlords are bagging the *taccavi* loans :

"If this distribution of these small amounts (*taccavi* loans—N.P.) is considered class-wise for the cultivators, considerable inequalities in favour of the big and large cultivators is noticeable." (Vol. II, page 202.)

The Survey Report shows that out of total *taccavi* that is given by the State, 34.5 per cent is netted by the big cultivators, 58.1 per cent by the big plus large cultivators, 32.1 per cent by the medium cultivators and 9.8 per cent by the small cultivators. The Survey Report further says that even the co-operative credit societies finance the large landowners in preference to others. Besides, there are a number of aids and assistance coming from the State. Land Reclamation in Travancore-Cochin State (*kayal* land cultivation) is heavily subsidised and aided by the State. Jungle clearance in Tarai areas in Uttar Pradesh is done by the State. Manures and chemical fertilisers are supplied at concessional rates; loans for purchasing tractors, etc., are given liberally. In these and other cases it is the big landowners that pocket the lion's share of the financial assistance by the State and semi-official organisations. The 10 per cent difference in the land-capital formation ratio is mainly due to this and hence, the little higher percentage of capital formation in their case is no wonder.

The argument that capital formation will not take place if holdings are not quite big is thus not conclusively proved by facts in our country today.

No Exemptions

The question of exempting certain categories of lands from the application of ceiling has been discussed at great length. I am of the firm opinion that except lands under actual plantations of tea, coffee and rubber,

and also land actually serving dairy farms, cattle farms, wool-raising farms which are genuine and are so recognised by the Government, no other land should be exempted from ceiling. In respect of these other lands, I am expressing my opinion, one by one.

There are large tracts of land in the plantation areas which are lying uncultivated and fallow or which are being cultivated with crops. There is no reason why ceiling should not apply to them. The argument that those lands may be needed for expansion of the plantation does not hold good. Such tracts of land are lying fallow for a number of years and are not used for cultivation of plantations. Secondly, the argument that admitting outsiders inside the plantations would be harmful to the plantations is also not valid since already hundreds of peasants are admitted as tenants and no harm is done to plantations.

As regards orchards, I do not think they merit any exemption. They are more remunerative and hence must have a lower ceiling. The argument that their split up would reduce production and affect their operational efficiency is proved false by facts. In Punjab, in all garden colonies, the Government had assigned land at 17 standard acres or less per family on an average. When the Government itself considers that an orchard of 17 acres is an economic unit, where is the justification to exempt orchards from ceiling ?

The following will show that the orchards in Punjab colonies are below 20 standard acres in size.

27 garden colonies have been set up in various districts on the evacuee lands. Their total area is 19,038 standard acres, allotted to 1,143 persons. This works out at 16.66 standard acres per allottee.

It should also be noted here that almost the entire area in the garden colonies is intercultivated. Up to this day, although allotments were made in 1949-50, out of the area allotted for gardens, hardly 15 per cent of the area has been covered by fruit trees.

Tube-wells are in use in the garden colonies where the average allotment per allottee as seen above comes to 16.66 standard acres.

Also, it is a reality that the greatest number of orchards in other States also are smaller than the size of two economic holdings and unless it is conclusively proved that their yield is lower than in large orchards, we need not think of exempting them from ceiling.

I am of the definite opinion that *kayal* lands and *poonja* lands do not merit exemption. They are already heavily subsidised and financed by the Government and the so-called enterprising nature and heavy investment of the big capitalist farmers is largely due to this large State assistance. Their operational efficiency would not suffer if they are split up, since, in many cases, the lands are already being cultivated in small plots by tenants. So far as the maintenance of bunds and working pump sets are concerned,

they can be maintained on a co-operative basis, for they are already maintained so by the landlords and the State.

It has been argued that efficiently run farms should be exempted from ceiling. But, how are these big farms efficiently run? Today, the State is extending aid through loans, subsidies, etc., to the landowners and it is no secret that this aid is generally reaching the big landlords who are influential in the Government circles.

The following figures from Punjab will prove this. *Taccavi* loans given to cultivators since partition amount to Rs. 3,92,99,218 up to 1953-54, of which 15,520 (1 per cent) recipients getting more than Rs. 500 each received a total of Rs. 1,37,77,467 (35.5 per cent) and 13,69,635 (99 per cent) recipients getting less than Rs. 500 each received a total of Rs. 2,55,21,751 (64.5 per cent). Furthermore, those who received a *taccavi* loan of more than Rs. 500 each have returned up to the end of 1953-54 only Rs. 28,81,056, *i.e.,* 21 per cent whereas Rs. 72,83,643, *i.e.,* 28.5 per cent has been realised back from those who received below Rs. 500 each as *taccavi* loans. (This is the information given by the Revenue Secretary of Punjab, on February 2, 1955 to the Secretary, Punjab Legislative Assembly, *vide* No. 1137-A (Ch)-54.)

In this case, it may be noted that ordinarily loans of Rs. 500 each or more were given to such owners who owned more than 20 standard acres.

"Punjab Government has been advancing loans for the purchase of tractors under the G. M. F. Schemes from the year 1951-52. Total amount of Rs. 44,79,612 has so far been advanced as loan for this purpose among 472 persons only and 411 tractors have been purchased so far with this loan." (Reply given by the Development Minister to the starred question No. 3885 by Shri Wadhawaram, M.L.A., in March, 1955 session.)

This shows that each person got, on an average, a loan of Rs. 9,500 for purchasing tractors, *i.e.,* almost the whole price!

If this State aid had reached others also as profusely, they would not have remained less efficient.

A big argument is being made that mechanisation requires a fairly big operation unit or otherwise, such mechanisation would be uneconomic and nobody would take up to it. This is just mocking at the question. Real mechanisation can take place in agriculture on a large-scale on the basis of a highly developed industrial sector and collectivisation of agriculture. But, the protagonists of mechanisation today are concerned only about use of tractors and tube-wells, etc., by a few big landlords alone but not as to how to create a really highly mechanised, large-scale agriculture. This point need not be dilated here, as it has been already dealt with before.

Let us look at this from another angle. How are the tractors, tube-wells, etc., being used? Is their use necessarily dependent on the size of holdings? No. This can be showed by any number of instances. The State is running

a large number of tube-wells and supplying water to the peasants. When this is so, there is no point in arguing that splitting up mechanised farms will lead to fall in production. Even after the splitting up of such farms, the present level of mechanisation can still go on by the machinery, tube-wells, etc., which can be taken over by the State or the peasants themselves jointly and put them to use just as when the single big farm existed.

The point that greater financial resources would be available with the big landowners and the splitting up of their big farms would lead to fall in production has already been answered. If the State extends its aid to all landowners and if all the schemes suggested by the Committee of Direction are implemented, the small landowners also would be able to invest in land in all the forms in which the big landlord was investing—use of fertilisers and improved seeds, use of tractors, tube-wells, growing of specialised crops, etc. Also what they lack in terms of financial capital, they will invest in terms of more enthusiasm and labour on the land.

Thus, I am of the opinion that the lands which are described above should be subjected to ceiling and there is no point in their exemption. However, if there are any such farms which, in the opinion of the Government, are found necessary to be kept in their present size in the national interests, like special seed farms, experimental farms, etc., they can be taken over by the State and kept as such or as Demonstration Farms.

I oppose the exemption of these mechanised farms from another angle also. Land Reforms have to be carried out in practice in the shortest possible time and for this, the co-operation of the entire peasantry, agricultural labourers and tenants and other rural masses is quite necessary. Such co-operation can be obtained if they get confidence in the objectives and mode of implementation of land reforms. Such confidence cannot be obtained if the biggest of the landlords, who generally are the most powerful and have a firm grip on the entire rural economy and are the biggest exploiters, are excluded from the operation of the ceiling. What justification is there for exempting them, who climb to such position largely with the aid extended by the State and protected by the State, and putting a ceiling on others? Hence, from this social point of view and in the interests of the success of land reforms, such lands should not be exempted.

This does not mean that I argue that, under all circumstances, small-scale farming is better than large-scale farming. This is far from my view. What I want to say is that in the context of present agrarian conditions and consciousness of the mass of peasantry, the first and foremost duty of any land reform is, taking over land of the landlords and giving it to the poor peasants and agricultural labourers. This will be the first step and not the *finale* of land reforms. Gradually by education, persuasion, encouragement through experimenting and State farms, cultivators should be induced to take up to co-operative farming which may come about through a series of intermediary stages. This is how land reforms are being implemented in

China and People's Democratic countries of Europe. Thus, in the name of economics of large-scale cultivation, either to leave big farms untouched or to rush to compulsory co-operative farming would prove disastrous to the successful implementation of land reforms.

There was a suggestion made that sugarcane plantations owned by the sugar mills should be exempted from ceiling. There is no reason why they should be exempted. The mill areas are determined under law and the mills are assured of cane supply under the rules of the law. Moreover, there is nothing on record to show that these cane farms owned by the mills are better yielding than those of the peasants. For instance, the cane farm owned by the sugar factory of Pithapuram (Andhra) produces 30 tons per acre (refer to the Note supplied by the Land Reforms Division) but in that same area, any individual cultivator can produce much more than that. In Bombay, the farms owned by the mills, with perhaps the exception of Malinagar and Belwandi, are producing less than the average yield for the State. In Bihar and Uttar Pradesh, the mill farms are producing as low a yield as 7.5 tons, 9.8 tons and so on and the maximum yield is 21 tons per acre ! In such cases, on what grounds should they be exempted ? I do not agree to their exemption.

The *bona fides* of land reforms would be judged from the fact that whether ceiling would be applied to all lands of the landlords or exemptions would be made to the biggest and best of the holdings of the landlords on one pretext or another.

Ceiling on entire family land

The question has been raised as to whether the ceiling should apply to the land possessed by the entire family or to each holding owned separately by individuals and if it is to the entire land held by a family, what is a family. In this connection, I wish to draw attention to a few facts. First, even though the land may be held by individual members of a family as separate holdings, the entire land is today being treated as constituting the family property and is used and enjoyed as such. Secondly, there are a large number of transfers made since the publication of the Kumarappa Committee Report, with a view to frustrate and circumvent any land reforms. Transfers have been made in the name of wives, daughters, sons and so on. If each holding is taken up separately, the very purpose for which ceiling is put would be defeated. Hence, the entire property of the family should be taken as one unit for the purpose of putting ceiling on landholdings.

What is a family ? It is inconceivable that a daughter or a minor son living together with parents constitutes a separate family, simply because she or he has a right to a share in the property. Family has to be defined not in terms of legal rights in property but as a human social unit. The Government has got its own definition, while conducting census enumeration or Agricultural Labour Enquiry or similar enquiries. The average size of a family for

every State is also known. Therefore, for the purposes of land reforms, the normal and universally accepted size of the family should be taken as the basis. A family may be considered to be a unit comprising a landowner and his wife, his dependent parents and three dependent children. The wife or one or more of the children may be holding land as a separate holding but that should not be a hindrance to accept all of them as one unit, one family, and all the land held by them as constituting family property.

COLOSSAL BURDEN OF COMPENSATION

The question of compensation is a matter of basic social policy. On the one hand is a small number of big landlords both feudal and capitalist, absentee and managerial, who sit over a vast extent of land, and, on the other hand, there is a vast number of poor peasants and agricultural labourers who have absolutely no land or have small, extremely insufficient amount of land. A rational use of land demands the taking over of excess land from big owners and giving it to the landless and land poor, who are already cultivating the land, living on land and are completely dependent on land. This second category is extremely poor and already overburdened. How can they bear the heavy load round their neck and yet carry on cultivation ?

Secondly, in the case of tenants, it is they who are the real cultivators and are in cultivating possession of land for a number of years. For the fault of the Government which has not recognised his rights over land so far, the tenant need not be penalised.

Thirdly, the landlords are not completely expropriated. Sufficient land will be left for cultivation which would be quite sufficient for their maintenance at a fairly high standard. Therefore, there is no necessity to pay any other compensation.

We want industrial development and one of the basic needs for it is a large internal market. The vast rural side is an unlimifed, expansive, but yet undeveloped market and it is this that has been and is still the target of exploitation by the British imperialists and feudal lords. It is this under-development of the internal market that is of the primary causes for the limitations of industrial growth. We, who are speaking in terms of Five Year Plans for national reconstruction, should want and stress upon the development of this internal market and this cannot be developed unless and until we increase the purchasing power of the masses. Payment of compensation just prevents this. Instead of increasing the purchasing power of the vast number of rural people, instead of using the increased production for greater production, it will be used, by payment of compensation, to feed a new parasitic class of rentiers who, instead of collecting the rents from the individual peasants, now collect it from the State.

What does compensation mean to the nation ? Especially to the peasants and agricultural labourers ? Let us take the case of PEPSU only. Here, in PEPSU, in the plains, there is surplus of 3,19,000 standard acres from the

land under personal cultivation alone of the landlords. Even at the rate of Rs. 200 per acre as compensation, as was fixed by the Tenancy Law there in the case of tenant-at-will, the total comes to Rs. 6,38,00,000. This has to be paid by about 75,000 recipients, *i.e.*, Rs. 850 per beneficiary. Is it fair to ask a small peasant to produce more with this millstone around his neck and then turn back and say "Since you cannot properly cultivate, your land will be taken over under land management legislation and so on".

Let us see how much compensation has to be paid, if the principle of payment of compensation is accepted.

Compensation for excess land (with ceiling at 20 standard acres) acquired from the land under personal cultivation—— @ Rs. 200 per acre	6,38,00,000
Compensation for land held by the tenants from landowners owning more than 10 acres each which is 3,05,790 standard acres ..	6,11,58,000
TOTAL (nearly)	12,50,00,000

If compensation is paid in 20 annual instalments with 3 per cent interest, each annual instalment will be about Rs. 80,00,000.

The total income of the PEPSU State from land revenue in 1953-54 (revised estimates) as given by the Taxation Enquiry Commission, was Rs. 1,31,00,000. *That means a handful of landlords will get an unearned annual income for 20 years which will be equal to 61 per cent of the total revenue of the whole State?*

Let us take the case of Saurashtra, for which figures are available.

Excess land, with ceiling at 20 standard acres, for land under personal cultivation (in acres)	12,11,500
Area held by tenants under owners owning more than 10 standard acres each (in acres)	63,800
Compensation at Rs. 200 per acre	Rs. 25,50,60,000
If paid in 20 annual instalments, per annum compensation with 3 per cent interest (roughly)	Rs. 17,00,000

In 1953-54, as per the Taxation Enquiry Commission Report, the land revenue in the State was Rs. 2,85,00,000. *This means the landlords will be getting in Saurashtra also more than 55 per cent of the State's land revenue for 20 years to come by simply sitting in their houses and doing nothing?*

Let us take another case and see. In Bombay, compensation has been fixed for tenants at 6 times the rent in the case of occupancy tenants and protected tenants, and 20 to 200 times the land revenue in the case of other tenants. Let us for the sake of argument take 50 times the land revenue or 10 times the rent (rent being 5 times the land revenue, as fixed

by law) as average rate of compensation in the case of the second category. Now, let us work out the compensation.

Rent payable by occupancy tenants, per annum	Rs. 1,33,34,392
Rent payable by protected tenants, per annum	Rs. 11,59,09,393
TOTAL	Rs. 12,92,43,785
Compensation at 6 times, as fixed by law	Rs. 77,54,62,710
Rent payable by ordinary tenants, per annum	Rs. 4,23,04,761
Rent payable by sub-tenants, per annum	Rs. 79,66,252
Rent payable by share-croppers, per annum	Rs. 3,34,79,448
Rent payable by others	Rs. 58, 20, 444
TOTAL	Rs. 8,95,70,905

Even if some landowners resume land for personal cultivation and thereby the rent-roll is reduced, it may stand at :

	6,00,00,000
Compensation at 10 *times*	60,00,00,000
Total compensation to be paid by all tenants	1,37,54,62,710

It should be remembered that this amount has to be paid for the land under tenants only and does not include interest charges also and does not further include compensation to be paid for excess land acquired from land under personal cultivation.

Let us now see Malabar. The land under personal cultivation in holdings above 30 ordinary acres is as follows, as per the recent census of land-holdings (in round figures).

Size of holdings	*No. of holdings*	*Area in acres*
30—35 acres	5000	1,72,000
35—40 acres	3,600	1,37,000
40—45 acres	2,800	1,19,000
45—50 acres	2,200	1,03,000
50—60 acres	2,600	1,26,000
60—75 acres	2,200	1,48,000
75—100 acres	1,900	1,65,000
100—150 acres	1,400	1,75,000
150—200 acres	500	86,000
200—300 acres	300	82,000
300—500 acres	183	73,500
500—1000 acres	114	78,900
Above—1000 acres	92	3,42,000
TOTAL ..	22,889	18,08,000

Let us take the ceiling as 30 acres, in view of the pressure on land in that district. Let us also assume Rs. 500 as the market price, on an average

(for irrigated and coconut gardens and pepper plantations, it may be high and for dry lands and tapioca lands, it may be less, but we have assumed an average only). The compensation will work out like this :

Excess land (acres)	11,21,330
Compensation at per Rs. 500 per acre	Rs. 56,06,65,000

Remember that it is to be paid for excess land of the landlords under personal cultivation and does not include interest charges and also does not include compensation to be paid by tenants.

Will this be "socialistic pattern of society", where a handful of landlords get as much as half the total land revenue of the State, to be paid by peasants, who hardly get one square meal a day!

What does this huge compensation mean to the nation? In PEPSU, the total expenditure on social services, *i.e.*, education, public health, medical, scientific departments and miscellaneous departments on revenue account is Rs. 1,45,00,000 (revised estimates) and in Saurashtra, it is Rs. 2,08,00,000. That is, a handful of landlords will get in PEPSU about 50 per cent of the total that the whole people in the State get on social services and in Saurashtra, about 75 per cent of the same. What a colossal tragedy?

During the year 1953-54, the amount spent on irrigation in all the 7 Part 'B' States (Hyderabad, Madhya Bharat, Mysore, PEPSU, Rajasthan, Saurashtra, Travancore-Cochin) was Rs. 4,00,00,000 (revised estimates) as given by the Taxation Enquiry Commission, on public health, Rs. 2,43,00,000; on medical Rs. 5,74,00,000; on Community Development Projects Rs. 2,23,00,000. If the compensation amount is not paid, the amount saved will equal several times more than any item of the above expenditure taken separately. Why then such a heavy burden on the peasantry?

Let us take the country as a whole. It will work out as follows : (all figures to the nearest thousand).

Total sown area as per Agricultural Labour Enquiry (ALE) (in acres)	26,75,46,000
Land owners, including tenants having heritable rights (as per 1951 census)	16,73,27,000
In terms of families of 5·5 average size (5·5 is the average size of land-owners families as per ALE)	3,04,23,000
Number of owners owning more than 25 acres each (5·6 per cent of total as per ALE)	17,04,000
Land held by them (34·4 per cent of total land as per ALE) (in acres)	9,20,36,000
With ceiling at 30 acres (ordinary), land required by this group (in acres)	5,11,20,000
Surplus land (in acres)	4,09,16,000
Roughly acres	4,00,00,000
Of which irrigated land may be (17·8 per cent of the total) ..	71,60,000
Compensation at the market rate (on an average Rs. 1,500 per acre) Rs.	10,74,00,00,000

Un-irrigated land, including land under commercial crops (in acres)	3,28,40,000
Compensation at market rate (on the average @ Rs. 200 *per acre)*	.. Rs. 656,80,00,000
Total compensation at market rate	.. Rs. 1730,00,00,000
Interest charges for 20 years (roughly)	.. Rs. 600,00,00,000
Overall compensation	.. Rs. 2330,00,00,000
Compensation to be paid today to zamindars and jagirdars, etc.	.. Rs. 550,00,00,000
Total Compensation from land	Rs .2,880,00,00,000

More than the investment made in the First Five Year Plan !

The latest Progress Report puts the figure of sown area at 3 crore acres more. Actually the cultivated land, including fallows, is a little above 40 crores of acres. So the surplus will be much larger and the compensation nearly double this amount and even more.

Indebtedness and Payment of Compensation Ruin Agriculture

Add to this the rural debt which itself has reached a colossal figure. There is no authentic estimate of the outsanding rural debt at present but that its burden has increased on the lower sections of the peasantry and the tenants and agricultural labourers, who, under the scheme of compensation after ceiling has been applied to landholdings, have to pay that compensation, is not disputed by anybody. The following extract from the Report of the Rural Banking Enquiry Committee, 1950, is worth quoting in this connection :

"A fairly large portion of the total agricultural income has gone into the hands of the small minority of big landholders who have also of late benefited from increased participation in moneylending and trade in agricultural produce and livestock. The benefit of debt-reduction too has largely accrued to this class, while higher direct taxation which has seriously encroached on urban incomes has not touched them, except to a very small extent. Taking the country as a whole, the major part of rural surpluses and consequent savings, in one form or another, should be found with the bigger landholders and with some non-agriculturists, such as village moneylenders, traders, owners of mills, etc." (Summary of Recommendations, pages 145-46.)

About the smaller sections, the Report says :

"So far as other classes, such as small landholders, tenants and labourers, are concerned, the general view is that although their money incomes have increased, the extent to which such increases reflect a real improvement in their position is extremely doubtful." (Report, page 40.)

By 1938, the total rural debt had been estimated to be Rs. 1,800 crores. Even if we think that, due to war-time prices, this amount has come down by 20 per cent as in Madras (according to the Enquiry by Dr. B. V. Narayanaswami Naidu, who says that the total debt in Madras province came down to Rs. 217 crores from Rs. 270 crores in 1939), the post-war rural

indebtedness will stand at about Rs. 1,500 crores. This may possibly have increased of late, as per the Reports of the Banking Enquiry Committee in Bombay, Hyderabad and West Bengal. The Rural Credit Survey reports thus, in its chapter on "Trend in Indebtedness since 1929-30" :

"Enquiries on debt were conducted in the post-war period in West Bengal, Bombay and Hyderabad. The Bengal enquiry which covered part of the War and post-war periods indicated a rising trend in debt. The evidence contained in the data available for Bombay points to a similar conclusion. This is not surprising in view of the fact that all debts contracted for current purposes in the post-war period would be at steadily higher levels because of the continuing increase in prices. After the burden of past debts had been materially lessened—and this appears to have happened by about 1945-46—and debt survey would show debts being contracted at higher and higher levels. It is, however, important to note that none of the three enquiries at the end of the War or during the post-war period revealed a level of debt as high as that revealed by the Rural Credit Survey. *The year of the Survey saw, for the first time in a period of over ten years, a sharp decline in agricultural prices and it also probably recorded on that account a higher increase in debt than in any previous year for a long time past.*" (Survey Report, Vol. I, page 20. Emphasis mine—N.P.)

Thus rural indebtedness is growing and might have reached the pre-war level. But, even taking Rs. 1,500 crores as outstanding, which is a very conservative estimate, the total amount to be paid by the poor peasants, tenants and agricultural labourers would be—both compensation and rural debt put together—Rs. 4,000 crores and more ! What a stupendous burden on the peasantry, the backbone of Indian economy ! Can productive forces in agriculture grow and prosper, with such a colossal burden oppressing it ?

Hence, I am opposed to payment of compensation to landlords, either for the surplus lands taken from the land under their personal cultivation or for the lands under the tenants. (Landowners, in my view, who have land below one family holding and have no other substantial means of living and who want to take up personal cultivation, should be allowed to resume land, provided the tenant is given land from the pool, so the question of compensation does not arise in their case.)

In Kashmir, one of the component States of our country, ceiling on landholdings has been put, excess land acquired by the State without payment of compensation and distributed to poor peasants and agricultural labourers. Heavens have not fallen by not paying compensation and no constitutional provisions prevented the State from confiscating the excess land. Hence too much fuss about the compensation amount need not be made.

Thus, *it is as a matter of policy* that I am opposed to payment of compensation but not as retribution. In the case of really hard cases, as for

example, small landowners who may lose land, rehabilitation grants for a fixed period can be paid and appropriate measures can be taken for absorbing them in productive employment.

As I have said in an earlier paragraph, a large number of bogus transfers and partitions have been made with a view to defeat the purpose of ceiling to landholdings. These transfers take a number of forms. Besides these bogus co-operatives, dairy and cattle farms, etc., were recently formed with the same ulterior motive. All such transfers and partitions should be made void and organisations ignored. This should be done to all transfers etc., made since the Report of the Kumarappa Committee was published.

Land to Poor Peasants and Agricultural Labourers

The utilisation of surplus land is a question actively discussed. Various suggestions have been made, namely that land should be given to small landowners to make their holding come to the size of economic holding, that land should be given for co-operative farming, that land should be distributed to small landowners to make their holdings come up to the size of basic holding and the rest to be distributed to attached labour only, at a basic holding each and so on. But does any one of these serve the basic aim of ceiling on landholdings?

I stand for the distribution of land to all poor peasants holding less than a basic holding, i.e., *one-third of a family holding each, and agricultural labourers including attached labourers, equally, after providing land to the tenants who may be dispossessed by the exercise of right of resumption by small landowners.*

These people are already living on land and so the question of increasing the pressure on land does not arise. They are already sharing the produce in the form of wages or otherwise and redistribution does not mean distribution of poverty but of giving more security to the means of livelihood and adding a little more to it.

In the tours in the various States, enquiries were made from the landless people whether they want land. Their universal reply is that even a small piece of land as their own will give them better security from complete want, an economic status which is now completely absent and better bargaining power. Today, even the village *sowkar* refuses to sell even the daily necessities like salt, chillies, etc., on credit to the agricultural labourer, because he is landless. The little co-operative credit movement that has developed completely ignores this vast section, simply because they are propertyless and can provide no security for the repayment of even the small loan. Hence, even a small piece of land would give them the needed creditworthiness. Similarly, their bargaining power with the employers for fair wages, for better conditions of living, would increase by the possession

of even a small piece of land. This is why the agricultural labourers must be given land along with the poor peasants.

The question that these landless and land poor peasants have no capital, bullocks, etc., to carry on cultivation, need not deter us. This is a question that concerns 90 per cent of the holdings that exist today which are less than an economic holding. So far it is this section that is neglected completely by the State and the demand is already there which is, in theory at least, accepted by the State that more and more assistance should be given to them in the form of subsidies, loans, price-supports for the farm produce, fertilisers and agricultural implements at concessional rates, etc. Hence, the question of resources is a larger issue which does not concern this landless poor alone and which has to be and must be tackled by other means.

How can the State, with its limited resources, come to the aid of such innumerable small landholders who will be created by such land distribution, when it is not able to extend such help satisfactorily even to the existing small landholders, is a question often put. It is true that the State cannot provide such help so long as it continues to pay huge sums as privy purses to feudal princes and as compensation to zamindars and jagirdars, so long as it allows the multi-millionaires to evade tax payments and still go scot-free, so long as it refuses to control profits, so long as corruption, waste and defalcations are not checked, so long as huge salaries and allowances are paid to the top officials, so long as the feudal princes and other such interests are allowed to hoard their riches and so on. Stop this, pool all the resources from these sources and any amount of finance will be available for coming to the aid of these small landowners to carry on their cultivation.

Glorious Land Distribution in People's China

This point we need not discuss too much. For we are not discussing in a void. We have got the living example of China, where one of the first things that the People's Democratic Government has done is taking up and completing land reforms. There, 30 crores of peasants who had previously held little or no land and lacked means of production, were given 11,28,00,000 acres of land, *i.e.*, less than one-third of an acre *per capita*. Has it resulted in fall in production, famines, starvations and deaths? Nothing of that sort. On the other hand, agricultural development made rapid strides. Shri Bhan Chandra Varma, Professor of Hindi language. Oriental Languages Department of the Peking National University (China), reports of it in facts and figures thus :

Change in Agrarian Structure

"The following illustration from the village of Yungkwei, Hulan Hsien of Sungkiang province, will give some idea of the change the land reform has brought about in the Chinese agrarian structure.

Before the Land Reform

	Population	%	Land (shang)	%	Houses	%	Horses	%	Carts	%
Hired peasants	283	41·9	Nil		Nil		Nil		Nil	
Poor peasants	117	17·3	0·4	0·06	14	6·1	10	7·2	2	10·5
Middle peasants	82	12·1	45·3	6·90	20	8·8	29	21·2	4	21·1
Rich peasants	131	19·4	315·7	47·84	92	40·8	55	39·9	3	47·3
Landlords	63	9·3	208·4	45·20	102	53·7	44	31·9	4	21·1
	676	100	569·8	100	228	100	138	100	19	100

After the Land Reform

	Population	%	Land (shang)	%	Houses	%	Horses	%	Carts	%
Hired peasants	285	37	189·26	36·9	95	41·7	47	44·4	13	62·0
Poor peasants	166	22	110·22	21·4	52	22·8	21	19·9	3	14·2
Middle peasants	93	12	62·93	12·3	36	15·8	17	16·0	5	23·8
Rich peasants	146	19	96·94	18·8	32	14·0	16	15·0	Nil	
Landlords	82	10	54·45	10·6	13	5·7	5	4·7	Nil	
	772	100	513·80	100	228	100	106	100	21	100

Agricultural Production

"As a result of land reform, there has been a tremendous release of productive forces, an upsurge of labour enthusiasm leading to better forms of labour organisation and rapid technical improvements in farming. This has led to a great increase in agricultural production.

"Compared with the bumper crops of 1936, when the pre-war production reached its peak figure, the output of some important agricultural products since liberation presents the following picture :

	1936	1950	1951
Foodstuffs	100	87·0	92·8
1. Rice..	100	96·5	99·4
2. Wheat	100	80·4	88·5
3. Soyabean	100	58·8	63·3
Cotton	100	83·7	133·0
Tobacco	100	24·1	130·5
Hemp	100	114·7	227·1

"Total grain production in 1950 was estimated at 125,000,000 tons, an increase of 12,250,000 tons over 1949's grain harvest. China now no longer needs import grain from abroad. During the Kuomintang regime, the imports rose up to 2,000,000 tons per year.

"Now, China not only does not import but she also exports to needy and starving countries like India. In 1951, China exported 516,000 tons of rice to India and in 1951, she has agreed to export 100,000 tons.

"Since liberation, cotton production has been increasing from year to year. 1950 figures show that it has exceeded the pre-war peak figure. The following shows the rate of progress in cotton production :

	Tons.
1933—37	637,500
1947	550,000
1948	500,000
1949	425,000
1950	700,000

"Agricultural plans drawn up by administrative areas for the current year indicate that the nation's 1952 plan for an increase of 8 per cent in grain and 29 per cent in cotton crop yields above the 1951 figures, will be fulfilled and possibly surpassed." (*People's China—An Introduction,* pages 66—68.)

The fear that production would fall by land distribution is thus completely disaproved by the living example of People's China.

Hence, I once again urge that the land acquired by the State should be distributed to all poor peasants, holding less than a basic holding each and agricultural labourers, without any discrimination and equally to all.

I am not in favour putting a floor on landholdings for the following reasons :

So far, in several States, floors have been fixed but proved ineffective and inoperative for the simple reason that they go against real life and conditions in the rural side. In spite of the ban on fragmentation and sub-divisions, they are continuing only they are not being recorded in the land registers. How can sub-divisions and partitions be prevented so long as alternate occupations are not open and so long as pressure on land goes on increasing ? Implementation of such measures to prevent sub-divisions by police methods will only result in small peasants losing land. The laws say that in order to prevent sub-divisions below floor, the holding should be kept intact and given only to one shareholder, others getting compensation and that when no one is prepared to accept this, the land should be auctioned and the proceeds distributed, *pro rata,* to the shareholders—and this results in turning them hostile to land reform measures.

Secondly, a floor on landholdings means the compulsory amalgamation of the present small holdings into co-operatives or collectives, which, in the present context of land relation and level of peasant consciousness, will prove impracticable.

PROVE *Bona Fides* OF AGRARIAN REFORMS

Ceiling on landholdings is a test to the land reforms and to the *bona fides* of the Government. Any tinkering with the matter, any delay or postponement will not only incur the greater disappointment and displeasure of the mass of the peasantry and agricultural labourers, but will also jeopardise the agricultural economy and thus prevent any further industrial development to its full length. Experience so far has shown that, even though the First Five Year Plan recommended a ceiling on landholdings at three times a family holding, in no State was it put into practice. The only States where a caricature of it was attempted, *viz.,* Hyderabad and Himachal Pradesh, have not yet implemented even those extremely unsatisfactory land reforms and only just now, after more than two years, the Hyderabad Government is attempting to enforce them in one district. This kind of progress with land reforms may help in mesmerising the kisans for some time, but not for ever. Sooner or later, they will realise the real nature of them and rise against them. Hence it is the bounden duty of the Government to fix ceiling on landholdings immediately and implement it with the assistance and active co-operation of the peasants and agricultural labourers.

This raises the other important problem of implementation of land reforms and the machinery to do that. From the findings during the tours, it was found that even the relatively good Tenancy Reforms in Hyderabad State completely failed and 57 per cent of the protected tenants were dispossessed from 59 per cent of the total land. Hence, for the successful implementation of land reforms, it is essential that peasant committees

consisting of peasants, tenants and agricultural labourers or their representatives should be formed at the village, taluk or area and district levels from which the landlords should be excluded and which should be vested with full authority for the implementation of land reforms. So far as ceiling on landholdings goes, it is these peasant committees that should decide all matters relating to ceiling from beginning to end. Only then can the successful implementation of land reforms be assured.

REPORT

of

THE COMMITTEE ON PROBLEMS OF RE-ORGANISATION

(Panel on Land Reforms)

August, 1956

PLANNING COMMISSION

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INTRODUCTION

The Panel on Land Reforms at its meeting held in June, 1955 set up four committees to make recommendations on the following subjects :

(*i*) Tenancy Reforms.
(*ii*) Size of Holdings.
(*iii*) Problems of Re-organisation.
(*iv*) Bhoodan.

The Committee on Tenancy Reforms and the Committee on the Size of Holdings have since completed their deliberations. The reports of these committees have been made available to us. The main recommendations of the Committee on Tenancy Reforms relate to:—

(*i*) Stay of ejectment of tenants and restoration of tenants ejected in recent years;
(*ii*) Conferment of security of tenure and reduction of rent to the level of 1/6th of the produce;
(*iii*) bringing the tenants into direct relationship with the State and enabling them to acquire full ownership rights;
(*iv*) eliminating multiplicity of tenures and rationalizing the rights and obligations of landholders; and
(*v*) utilising the village panchayats increasingly as the agency for the enforcement of the measures of land reforms.

The Size of Holdings Committee has recommended the imposition of a ceiling. The limit proposed is 3 family holdings, the family holding being defined as an area of land which yields a gross income of Rs. 1,600 per annum or a net annual income (including remuneration for family labour) of Rs. 1,200. The land held in excess of this limit is to be acquired by the State and made available for redistribution among displaced tenants, landless labourers and uneconomic cultivators. The Committee also examined the question of fixation of a floor limit, on which, however, an agreement could not be reached and a number of views have been expressed.

2. This Committee was asked to make recommendations on—

(*i*) cooperative farming;
(*ii*) cooperative village management;
(*iii*) consolidation of holdings; and
(*iv*) land management legislation.

In making our suggestions, we have taken cognizance of the recommendations made by other Committees. The agrarian, social and economic structure as a whole influences agricultural organisation. We have, therefore, taken a somewhat broad and comprehensive view, particularly

in respect of the functions of the village agency through which measures of *land reform* are to be enforced and agricultural re-organisation brought about.

3. The implementation of the recommendations made by the Committee on Tenancy Reforms and the Committee on Size of Holdings will ameliorate the economic and social conditions of the cultivators. The *possibilities of their influencing* the social and economic conditions will, however, soon get exhausted. They will not generally affect, over the vast bulk of the area, the pattern of cultivation and management. Most of the cultivators in India possess small subsistence holdings. The magnitude of the problem is borne out by the data collected in recent surveys by the Reserve Bank of India, the National Sample Survey and in the census of land holdings and cultivation. Scope for extension of cultivation to new areas is severely limited. With the growth of population, the number of small holdings is consequently increasing. These holdings are characterised by lack of capital resources, low level of technique and productivity and under-employment. They also involve considerable waste of the scarce capital resources. There is a large under-employed or unemployed population which subsists on land. On the other hand, there is a large employment potential. There are wells to be constructed, tanks to be dug and repaired, houses and roads to be built etc. All these works are of labour intensive nature. Those who have rights in land do not generally possess the requisite finance or an adequate area of land *for their own full employment* or the employment of surplus labour in the village. The existing pattern of land use and management thus impede the fuller utilisation of man-power and consequently economic progress and betterment of living standards in the rural areas. From the various estimates of employment opportunities *which are offered by the projects* included in the Second Plan, it appears, that, in terms of absolute numbers, there will be further additions to the number of hand employed in agriculture at the end of the Plan period. Even if the employment opportunities in the urban areas expand more rapidly than can be anticipated, for many years to come any *appreciable* reduction in the pressure of population on land does not seem feasible. We have, therefore, to think for the immediate future in terms of mobilising the man-power for the development of the available land and the ancillary activities and intensification of agriculture.

Cooperative Farming

4. The *most urgent problem of re-organisation* of agriculture relates to a change in the pattern of land use. In a fairly large unit of management several wasteful operations can be eliminated, costs reduced, and bettter planning and use of land obtained by the application of scientific knowledge and improved techniques. It is easier to secure financial resources for *production purposes.* If economic holdings are grouped into larger units of operation through cooperative activity the economies and advantages of

large-scale organisation become available and it is possible to utilise more fully, with comparatively less capital investment, the surplus manpower in the intensification of agriculture, the improvement of land, houses and roads and other developmental activities. The other advantage would be that a considerable amount of industrial work for self-use could be organised very much better in these cooperatives.

5. A number of suggestions were made in the First Five-Year Plan to encourage and assist small and middle farmers to group themselves voluntarily into cooperative farming societies. The State Governments were subsequently asked to draw up phased programmes for cooperative farming. Very little has, however, been done so far, and few planned experiments have been undertaken. The importance and the urgency of a programme of cooperative farming for the utilization of the man-power and capital resources has, it seems, not been accepted generally. Some cooperative farming societies have been organised in some States. The Programmes Evaluation Organisation of the Planning Commission has, at our instance, studied the working of 23 selected societies of which we append a summary to this Report. Development of cooperative cultivation is, we appreciate, beset with many difficulties. We do not, however, consider these difficulties to be insuperable. The reasons for insufficient progress in cooperative farming have been very largely psychological and organisational. If necessary psychological conditions are created, and adequate organisation is set up we have every hope that speedy progress towards cooperative farming can be made.

The suggestions we make in the following paragraphs are based on the assumption that the recommendations made by the other committees of the Panel relating to ceiling on land holdings and the elimination of rent receiving interests are accepted and implemented.

6. The first recommendation we have to make is that on lands such as surplus lands which become available on the imposition of ceilings, Government waste lands, considered suitable for cultivation, land reclaimed through public effort and land periodically let out by Government, wherever they are available in sizable areas, cooperative farms should be organised. As a rule, these lands should be settled with cooperatives and individual rights should not be created in them. The tribal areas where the notions of communal ownership still persist in some degree also offer a good field for cooperative experiments.

7. The lands already under cultivation consist of—

(*i*) holdings below the floor limit;

(*ii*) holdings between the floor limit and the ceiling; and

(*iii*) holdings above the ceiling.

Ordinarily, holdings below the floor limit cannot be cultivated profitably. The object we have in view is that steadily increasing proportion of holdings below the floor limit should be brought into the cooperative pool.

As a first step we suggest that the surplus land obtained on imposition of ceiling and other lands available in a village with the Government should be regrouped into a compact unit or units. These lands should constitute the nucleus for cooperative farming. The displaced tenants, the cultivators below the floor limit and the landless agricultural workers who may be selected for settlement on these lands, will be admitted as members of the cooperative farm. The cultivators below the floor limit will be admitted as members provided they agree to put their lands into the pool. It is not necessary that the whole of this area should constitute a single cooperative farm. Depending upon the size of the optimum or minimum area that may be necessary for cooperative farming, the pooled area could be divided so as to constitute more than one cooperative farm.

The farms below the floor limit, which stay out of a cooperative farm at the commencement should be located contiguously to the pooled area as part of the operations of consolidation of holdings to enable them to join the cooperative farm at a latter date. A deliberate effort should be made to develop intensive cooperative activity on these farms. In the early stages it may take the form of cooperation in ancillary activities, such as credit, marketing supplies etc. leading on to joint cultivation at a somewhat later stage.

8. Thus, we visualise that with the imposition of ceilings and the reorganisation of the holdings below the floor on the lines suggested above there would be three different types of farms in the near future, namely—

(1) the cooperative farms comprising the surplus and other governmental lands and with the lands pooled by the farmers voluntarily;

(2) farms of less than the floor which will lie contiguously to the cooperative farms and on which deliberate effort will be made to organise ancillary cooperative activities leading on to cooperative farming; and

(3) individual peasant farms of a size above the floor which can be managed as independent units.

Schemes included in the Second Plan for agricultural development, community projects and national extension and the land management legislation which has been proposed in subsequent paragraphs are designed to promote agricultural production on the individual peasant farms. These units should also be encouraged to join cooperative farms on a voluntary basis.

9. The terms and conditions on which lands may be pooled and the mode of cooperative management have a considerable bearing on the

progress of cooperative farming. As regards the method of pooling of land, the following different forms were considered by the Committee:

(1) the ownership of land may be retained by individuals but the land may be managed as one unit, the owners being compensated through some form of ownership dividend,

(2) the land may be leased to the cooperative society for a period, the owners being paid agreed rents or rents prescribed by law, or

(3) ownership may be transferred to the cooperative society but shares representing the value of land may be given to individuals.

As the *surplus and other governmental* lands will be settled with cooperative groups and not with individuals, no difficulty regarding pooling of land would arise in their case. With regard to lands pooled by individuals, on the basis of experience available so far, it is not possible to recommend any particular method and we suggest that at this stage no rigid conditions need be prescribed and the various alternative forms mentioned above may be tried out.

10. The following different methods of cooperative management were discussed:—

(*i*) The entire area may be distributed into family units, each unit *being allotted to a member family* or a small group of families (depending upon the extent of land available with the cooperative) for purposes of cultivation, the member family or the group paying rent to the society. Each family or a group of families will, thus have a separate plot to cultivate. They will, however, cooperate in non-farm operations such as provision of credit facilities, supplies, marketing etc., and in such farm operations as may be feasible, or

(*ii*) The whole farm may be managed as one unit for carrying out principal operations such as ploughing, sowing and harvesting. For subsidiary operations like irrigation, weeding, hoeing etc., the farm may be divided into small units each being allotted to individual families from year to year, the families getting a share of the produce as remuneration for work on subsidiary operations, or

(*iii*) The whole farm may be managed as one unit for all agricultural operations which will, thus, be centrally controlled by the society, the members being paid wages either on daily wage basis or on piece work basis.

The adoption of any particular mode of management will depend on the technique of farming that may be applied and the degree of cooperation which has developed among the members. Each cooperative farm will *adopt*

the mode of management which suits it best according to its own circumstances. We suggest that at this stage all the various methods may be tried, till suitable techniques of cooperative management are fully established by experience. Where lands are allotted to individual families for all agricultural operations or merely for subsidiary operations, it should be ensured that vested interests are not created and attachment to any particular plot of land does not develop. Provision should, therefore, be made for the redistribution of plots among the members from time to time.

11. The scope of experiments in cooperative farming conducted during the first plan period was limited and they do not furnish sufficient data with regard to the advantages or disadvantages of one or the other mode of cooperative management. It is important that suitable techniques of management are evolved by a series of carefully planned experiments. These techniques would relate to methods of pooling land, methods of distribution of work, evaluation of work for purposes of payment, simplification of farm accounts and securing people's participation in cooperative management. We recommend that immediate steps should be taken to organise on a large scale, planned experiments in cooperative farming in various crop regions of the country. These experiments may be located in areas of colonisation and in community project areas and national extension areas. It will also be an advantage, if some of the experiments are located around existing non-official institutions for social welfare work where the participation and guidance of trained social workers could be more easily obtained.

12. Each State may set up a small committee at the State headquarters with the Minister of Cooperation as its chairman. Its members may consist of persons with a faith in the philosophy of cooperation and experience in the methods of cooperation. It should be assisted by an officer whose special charge should be to organise cooperative farming in the State. The planned experiments should be worked under the direct supervision of this Committee. For creating necessary psychological atmosphere and mobilising public opinion, the cooperation of non-official organisations working in the social and political fields is indispensable. In the selected areas seminars should be organised at which intensive discussions may be held on the advantages of and problems presented by cooperative farming.

13. Each cooperative farm will need the assistance of a properly trained manager. Wherever possible, these managers should be selected from amongst experienced cultivators who possess a broad social outlook. It is likely that in the early stages a sufficient number of such cultivators may not be available, and it may become necessary to select managers for cooperative farms from amongst diploma holders in agriculture. As the movement develops, it should be possible to draw them increasingly from amongst the cooperators themselves. The managers will need training in the management of large farms, maintenance of accounts and above all

securing people's cooperation and participation. We suggest that an adequate number of training centres should immediately be set up and steps taken for the selection of suitable hands taking into consideration the needs over the next 5 years.

14. At this stage of development we would hesitate to recommend any firm targets for the country as a whole. We suggest that each State Government should formulate its programme in the light of its own circumstances. These programmes should be so framed that over the next 10 years a substantial portion of the area can be brought under cooperative farming.

15. We suggest that the following facilities should be offered by the State to cooperative farms:—

(*i*) Credit from Government or from cooperative agencies and preference generally in financial assistance from the Government for approved agricultural programmes;

(*ii*) Preference against the available stock in the supply of improved seed, fertilisers and materials for local construction;

(*iii*) Facilities for consolidation of lands comprised in a cooperative farm;

(*iv*) Preference in grant of leases of lands reclaimed by the Government, culturable waste lands, lands whose management is assumed by the Government and lands under the management of the Village panchayats;

(*v*) Provision that after a cooperative farming society is formed and so long as it continues and is managed in accordance with the conditions prescribed under the law, no new rights adverse to the interest of its members will accrue. Where land is held by the tenants with permanent rights, it is for them to elect to become members of a cooperative farming society. Owners of these lands cannot elect to pool their lands in a cooperative farm. In respect of lands under the cultivation of a tenant who does not possess permanent rights, an owner may join a cooperative farming society if the tenant is also agreeable to becoming a member of the cooperative farm;

(*vi*) Reduction of land revenue for a period;

(*vii*) Reduction of or exemption from agricultural income tax, if any;

(*viii*) Technical assistance of expert personnel employed by the Government in farm operations, marketing, preparation of production programmes etc.;

(*ix*) Technical or financial assistance in developing non-agricultural employment for members of the cooperative farming society

and others associated with them, such as in cottage industries, dairying and horticulture, etc.; and

(*x*) Subsidy for managerial expenses.

It has been observed that some times fraudulent societies are formed by large and middle owners with a view to getting certain advantages or to evading the provisions of land reform laws. We suggest that provision should be made to prevent such evasions by providing that a cooperative farm will be registered only if the Registrar is satisfied that the bulk of the labour for the farm will be provided by its members.

Cooperative Village Management

16. With the growth of cooperative farming societies and the development of cooperation in various non-farm activities the rural economy should become stronger and there should be steady increase in production and rural incomes. There are several reasons why, in Indian conditions, it is desirable that the aim of policy should be in the direction of making the village the primary unit of management in agriculture and many other economic and social activities which bear closely on the welfare of the rural people.

17. As the programmes of cooperative farming and cooperation in various non-farm activities and the development of village panchayats expand along the lines suggested, the lands will be increasingly managed in three different ways. Firstly, there will be the individual farmers who will be holding lands mainly between the floor and ceiling limits. They will work in cooperation for credit, marketing and processing and will be subject to such obligation as may be prescribed under the land management legislation. Secondly, there will be the cooperative groups of farms who will generally be drawn from among those holding land below the floor limit and the landless labourers with whom waste lands or surplus lands above the ceiling are settled. Thirdly, there will be some land belonging to the village community as a whole such as the village common lands, the abadi sites and culturable waste land. These lands will constitute what may be called the community sector.

18. At this stage of development, there will remain in the village a considerable number of landless workers assisting both the individual cultivators and the cooperatives in agricultural operations. There will also be the artisans and other village servants who will depend for employment and subsistence partly on land and partly on crafts and other ancillary activities. Their social status will continue to be weak and the employment opportunities for them will remain uncertain. A conflict of interests in the agrarian structure and disparities of income will thus continue on a considerable scale. Further, in the earlier stages of this programme many cooperative farms will not be of optimum size. As most of the farmers who will join the cooperative farms will either have no land or will hold

only small bits of land, the *per capita* availability of land for members of the cooperative farm will be small. It may be possible to provide employment for them to some extent in agricultural operations and in other labour intensive activities for the development of land. The cooperative farms may also be in a position to develop production in other fields, particularly for the self-use of the member of cooperative farms. They may thus undertake a number of non-agricultural activities for the benefit of their members. The limit will soon be reached when it would be necessary for the fuller utilisation of man power resources, the development of other ancillary activities and the adoption of improved techniques to bring increasingly larger holdings into the cooperative fold. The aim should be to enlarge the cooperative sector till the entire farm land in the village is comprised in cooperative farming societies.

19. The main instruments for realising cooperative village management are:—

(*a*) the village panchayat and the functions assigned to it as a development agency at the village level;

(*b*) measures taken to develop cooperative credit, marketing, warehousing, processing etc.;

(*c*) programmes for the development of village industries specially for meeting local needs and offering work opportunities to all persons in the villages;

(*d*) programmes for promoting and assisting voluntary cooperative farming societies; and

(*e*) development of a 'community sector', within the village economy, that is, of land belonging to the village community as a whole (such as common lands, gifted lands, sites, etc.,) and activities organised for the village as a whole.

These various activities supplement one another, but their total effect is to emphasise the responsibility of the village community as such for the development of its resources, including land, in the interest of all those who belong to it, without regard to whether they are or are not owners of land.

20. In some parts, the various elements which go into cooperative village management exist already. Under the Second Plan, each of them has a larger and more significant contribution to make. At present each element tends to be thought of rather as a separate field of work. The conception of cooperative village management integrates all of them into a common social and economic objective which has deep significance both at the level of the village and as a base for a larger and well knit cooperative structure within the national economy. The forms which cooperative village management may assume and the stages in which it is approached will depend on the experience and initiative of the people in each area and the success which is achieved in implementing each of the individual programmes for

rural community development. At this stage, rigid forms, prescriptions and targets are not required, but in general terms the goal of policy should be to build by every means possible the role of the village community in rural development and to facilitate the assumption and discharge by it of greater economic and social responsibilities.

CONSOLIDATION OF HOLDINGS

21. Consolidation of holdings does not raise any controversial questions of policy. Considerable progress has already been made in some States like U.P., Punjab, Madhya Pradesh, Bombay and Pepsu. Only limiting factors are finance, trained personnel and technical knowledge. As in Punjab and U.P. the bulk of the cost can be recovered from the beneficiaries as the programme gets under way. For technical knowledge, the States should draw upon the experience gained in Punjab, U.P. and other places and should take immediate steps for getting adequate staff trained in the work. For the successful implementation of the programme of cooperative farming which we have outlined above, a programme of consolidation of holdings has increased urgency. We recommend that all State Governments should be asked to draw up phased programmes for taking up consolidation work on a large scale during the Second Five-Year Plan. We would, however, like to draw attention to one obstacle which may hamper the programme. In some parts of the country, considerable areas are held by tenants-at-will. In such areas consolidation of holdings would be largely a waste of effort and it would be desirable to undertake tenancy legislation before consolidation is taken up. Consolidation facilitates cultivation. The land in which permanent rights are conferred on the tenants should, therefore, be included in their holdings and excluded from owners' holdings.

LAND MANAGEMENT LEGISLATION

22. In the First Five-Year Plan a suggestion was made that each State should enact land management legislation. Under this legislation standards of cultivation and management were to be laid down. The proposal was conceived very largely in relation to ceilings on land holdings. Ceiling has since become universally acceptable and the importance of land management legislation in terms of ceilings has consequently receded. We regard land management legislation as an instrument of a policy for the progressive improvement of agricultural standards. With this object in view, a Sub-Committee was set up with Sardar Lal Singh, M.P. as convenor to suggest standards of efficient cultivation and management as well as sanctions for the enforcement of these standards. We append the report of the Sub-Committee to our report. We agree with the observations of the Sub-Committee that each cultivator should be under a social obligation to maintain a reasonable standard of efficient production and the object of land management legislation is to provide the necessary incentives and

sanctions for the performance of this duty. The measure cannot, however, be regarded (merely as a means of coercion) in isolation from (other) factors which are essential for the maintenance of efficient production. The prescription of standard should necessarily be linked up with the fulfilment of certain pre-requisite conditions, such as suitability of tenure, consolidation of holdings, progressive development of cooperation in various spheres of agricultural activity and increasing State assistance in the provision of financial resources and technical guidance and supplies.

23. The Sub-Committee has given an elaborate list of factors which should be taken into account for judging the efficiency of a farmer. These factors may be regarded as illustrative and may be suitably adapted in the light of local agricultural and economic conditions. While the general standards should be laid down at the district level, adaptation to local conditions would be necessary at the lower levels also, *i.e.*, taluka or tehsil and the village. On the basis of these factors, it should be possible to classify farms according to the quality of management into suitable grades as suggested in the report of the Sub-Committee. Farms above the average should be given suitable recognition. Farms which are classified as below the average should be placed under supervision and warned to bring up the standard to the average level within a period not exceeding two years, depending on the kind of the improvement needed. Necessary State assistance to carry out approved programmes of development should be provided. If at the end of the period, the farm does not rise to the average standard, it should then be taken over by the State and arrangements made for its cultivation.

24. As recommended by the Sub-Committee, provision should also be made for sanctions in the following cases:—

(*i*) Cultivable waste lands held by large and medium holders, which are not brought under cultivation within a reasonable period, should be taken over under State management and arrangements made for reclamation and cultivation. Where cultivable waste lands held by small holders are not reclaimed within a reasonable period, the State should make arrangements for reclamation and recover the cost from them in suitable instalments.

(*ii*) With regard to measures relating to levelling, bunding and fencing, where necessary, provision of irrigation facilities and maintenance of irrigation channels, control of insects and diseases and eradication of weeds and terracing of fields, it is suggested that in case the cultivator fails to fulfil the necessary obligations, the State may carry out the work and recover the cost from the cultivator concerned along with a surcharge which may be up to 25 per cent of the cost.

(*iii*) Where a cultivator cannot be persuaded, after all needed assistance and instructions have been provided, to use improved seeds, or make compost of farm refuse provision for a small fine may be made.

Where lands are brought under State management provision should be made for payment of rent to the land owners.

25. We also agree that the enforcement of standards will be a gradual process depending upon the speed with which the necessary administrative organisation can be built up and social opinion mobilized for their enforcement. We do not, however, consider it feasible or desirable to restrict the application of the land management legislation to farms above a certain size. On the application of ceilings the large farms will cease to exist. There will remain farms of the size below the floor and medium size farms above the floor. We have already recommended that the farms below the floor should be brought as quickly as possible into the cooperative sector. The other farms will not generally exceed the size of 3 family holdings. Further there would be political difficulties in restricting land management legislation to large farms. This might create an impression that the Agriculture Departments of the State Governments were devoting more attention to the technological problems of large farms and giving them the necessary assistance and that small farms were being neglected. We, therefore, recommend that land management legislation should apply to all farms. Till sufficient experience has, however, been gained and adequate administrative machinery has been built up, we would suggest the enforcement of standards in the first instance, in selected national extension and community project areas in each State.

Administrative Machinery for Land Reforms

26. There is common agreement about the need for public participation both in shaping policies and in carrying them into effect. This follows from the realisation that our programmes for economic development or the reform of social institutions impose by their magnitude and complexity, a strain which the existing administrative structure is not, by itself, equipped to bear. The successful performance of these programmes depends upon the extent to which popular enthusiasm and local initiative can be evoked. While efforts from various directions have to be made to arouse and sustain the nation's will for the achievement of these tasks, it is necessary to provide a suitable frame-work of institutions for the expression of this will.

27. The objective of land policy has been described in the Plan as Cooperative Village Management, in which the responsibility for the utilisation of human and natural resources in the village will vest in the village community and its elected representatives. The attainment of the objective of land policy depends to a large extent upon the speed with which

the village panchayats can be equipped and trained progressively to assume responsibility for local administration and development and for creating resources and opportunities for increased employment.

28. The First Plan had recommended that the village panchayat should become the agency for land management and land reform in the village. It was pointed out that there are certain problems which none but the village panchayats can deal with, reference was made particularly to tenancy legislation which "frequently proves infructuous because of the lack of administrative arrangements in enforcing it. It is known, for instance, the entries in Government records relating to personal cultivation are not always correct, where the owners in question have the fear of losing their lands to tenants in the event of future tenancy legislation." These observations have been further strengthened by our experience of the working of land reforms during the first plan period. The Committee on Tenancy Reforms has, in its review of the progress of work during this period, referred to defects in the enforcement of law and generally taken the view that the official machinery is not, by itself, adequate for the task of correct maintenance of land records and for the protection of the weaker classes among the agriculturists such as tenants and crop-sharers. The Committee has, therefore, recommended that the primary functions relating to tenancy reforms should be entrusted to village panchayats and judicial panchayats. They should also be associated actively with the correct maintenance of land records.

29. Though village panchayats have been established over half the country and vested with a wide variety of civic, administrative and development functions, practically nothing has been done to associate them with the administration of land reforms. The work has generally been done exclusively through the official machinery and public participation has not been sought or obtained. The Conference of Ministers of Local Self-Government held in 1954 reiterated the recommendation that the village panchayats should be associated with the maintenance of land records. This recommendation has, however, not been implemented except in one or two States. While the ideals of decentralised administration and a co-operative organisation of the village are accepted there are at the same time considerable difficulties in taking the necessary steps towards their achievement. The principal difficulty arises from the conflict of economic interests within the village community and disparities in income and ownership of land and economic power and social status. Unless the range of this disparity is reduced and the conflict of interests narrowed down, there is a possibility of the village panchayat being used as an instrument of oppression. The village panchayats do not always represent all the various interests, such as, owner-cultivators, landlords, tenants, agricultural workers and artisans adequately. In a number of cases they are dominated by the more powerful and wealthy classes. The panchayats are also in many

cases, divided by factions and opposing groups in the village. They have not always succeeded in throwing up a strong village leadership capable of harmonising the conflicting interests of various groups, removing dissensions and obtaining the loyalty and confidence of the village people in general. On account of this lack of leadership and the general low level of education, the village panchayats frequently lack the experience and ability required for discharging their duties efficiently.

30. It cannot be denied that these weaknesses constitute a formidable obstacle to the rapid development of local self-government. It is on account of these considerations that there has grown up in recent years a certain reluctance to widen the powers of village panchayats or even to provide them with effective means for discharging the functions which have already been entrusted to them by law. The laws enacted by various States contain an impressive array of duties and functions of the village panchayats, very few of which are translated into practice.

31. There are, however, very strong and cogent reasons which can be urged on the other side. It is true that unless social institutions are changed and disparities in income and status reduced, there is a danger of the village panchayats using their powers to oppress the weaker classes or groups in the village. But unless the active assistance of the village panchayats is available, measures for creating a homogeneous and just social structure cannot be effectively enforced. The argument from social bias applies with even greater force to the official machinery which is the only other alternative. In any case we cannot, through increasing official action, reach a goal in which a non-official organisation of the people will be the primary unit of administration. We have adopted the national policy of creating a socialist pattern of society through democratic methods. If democratic institutions and procedures at the national or State level can be used to bring about rapid social change, there is no valid reason why a similar institution at the village level should be incapable of doing so.

32. While we propose to suggest suitable safeguards and remedies with regard to the difficulties mentioned above, it is necessary to emphasise that the main answer lies in the context of dynamic change. The village panchayat is not to be regarded as static, but as an integral part of a growing national economy in which the development of local resources and such measures as the redistribution of land and conferment of ownership upon tenants will give new opportunities of work and a higher social status to the poorer classes. As we progress further towards a socialist pattern of society and undertake measures for progressively removing social injustice, the village panchayats will themselves become stronger and more homogeneous and capable of assuming wider responsibilities.

33. We have already referred to the Tenancy Committee's review of the difficulties in enforcing land reforms legislation. The necessity or making the village panchayats an agency for implementing the land policy

in general is increased by the comprehensive and for reaching measures suggested by us and the other Committees of the Panel. These include the enforcement of land management legislation, consolidation of holdings, ceilings on holdings, and the rapid development of cooperative activity and cooperative farming. On taking a comprehensive view of these various recommendations, it would be apparent that they can be enforced only if the village panchayats are in a position to assume the primary responsibility for their implementation.

34. We, therefore, recommend that in areas where they have not already been set up the establishment of village panchayats should be expedited.

FINANCIAL RESOURCES

35. One of the most serious handicaps from which the existing village panchayats suffer is lack of adequate financial resources. We would suggest that provision for financial resources for the village panchayats should include:—

(*i*) A basic grant which should not be less than 20 per cent of the land revenue with an additional grant up to 15 per cent subject to the condition that the village panchayat finds matching resources;

(*ii*) The imposition of an additional local rent or cess for meeting the recurring costs of institutions such as schools and other development schemes;

(*iii*) Income from common lands;

(*iv*) Income from allotment of house sites or lands for the purposes of cultivation;

(*v*) Income from public markets and ferries;

(*vi*) A commission for collection of land revenue or other government dues where this is entrusted to them;

(*vii*) A tax on trade, professions and callings;

(*viii*) Free labour for works of improvement;

(*ix*) Income from land set apart as a result of consolidation of holdings for cultivation through the village community; and

(*x*) Income from business activities undertaken on a cooperative basis by the village panchayat.

STAFF

36. Another difficulty relates to the lack of properly trained staff. We recommend that government should set up training centres for the education and training of the staff required for the village panchayat and appointments should be made from among the qualified candidates where they are available. Regarding the strength of the staff of village panchayats or their terms and conditions no general conditions can be laid down. Arrangements will have to be made according to local needs and resources. The

panchayats may appoint part time or whole time secretaries according to local conditions and availability of funds. A suggestion was made that the patwari should be the secretary of the village panchayat and the village level worker should be its development secretary. It was also suggested that the question of making the patwari a member-secretary may be considered. The Sub-Committee is of the view that village panchayats should be autonomous bodies and officials should not be made members. The field staff of the various government departments should, however, be expected to attend meetings, where necessary, and give technical advice and assistance.

Composition of Village Panchayats

37. As a general principle there should be a village panchayat for each village. A village is a natural unit whose inhabitants are bound together by ties of common interest, local sentiment and close association from generation to generation as against a group of villages which is an artificial group. A multi-village organisation would lack the unity of feeling and sentiment and may, in many cases, give an opportunity to a larger village to oppress the smaller villages within its circle and taking advantage of its numbers to deprive the smaller villages of their legitimate rights.

38. In some States, however, it has not been possible to set up a separate body on account of administrative and financial difficulties and village panchayats with a circle extending over 3 or 4 villages have been set up. There are two opposing considerations between which it is necessary to strike a balance; on the one hand, the nature of the functions to be entrusted to village panchayats requiring the setting up of a separate organisation for each village, on the other hand, there may be villages whose resources would be too small for undertaking development works.

39. Where multi-village organisations have been set up already, they may at this stage continue to be treated as the primary organizational units. There are, however, a number of functions which we shall describe in the sequel which necessarily involve the vesting of authority in the representatives of a single village. We suggest that for this purpose, the village panchayats may set up small sub-committees separately for each village, which can be entrusted with such functions.

40. The process of election by which the panchayats are constituted may not always throw up a sufficient number of persons with the qualities most needed in village reconstruction, such as good farmers engaged in improved agricultural practices, enthusiastic workers of the cooperative movement and persons whose main interest lies in constructive social work. The question is to what extent and in what manner persons with necessary knowledge and experience can be associated with the village panchayats?

41. It has been suggested in this connection that provision should be made for nomination of suitable persons as members of the village panchayats. This proposal, however, is likely to lead to serious difficulties.

The collector of a district or a sub-divisional officer does not possess the necessary knowledge about the inhabitants of the hundreds of villages under his charge. Nomination will, therefore, have to be left, in substance, if not in name, to lower officials with the likely result that unsuitable persons may be nominated in a number of cases. Besides a combination of elected and nominated members will not make for smooth working and it may tend to weaken the sense of democratic responsibility among the elected representatives.

42. The Sub-Committee is of the view that nomination of members would not be desirable. The village panchayats may, however, be empowered to coopt a small number of persons, say, 2 or 3 in the case of smaller panchayats and up to, say, one-fifth of the total number of elected members in the case of larger panchayats. Cooperative institutions in the village should also be represented on the village panchayat.

43. The village panchayats, as constituted at present, may have a preponderance in some cases of landlords or big cultivators and others of small cultivators, tenants or the landless. Suitable safeguards for the protection of weaker classes, should, therefore, be provided. In order to ensure justice the village panchayats should have adequate representation of the various interests. Where a particular class is not adequately represented in the village panchayat or in the sub-committee referred to above, the village panchayat may be empowered to coopt suitable representatives. With regard to backward classes and schedule castes, which include the bulk of agricultural labourers and tenants, provision may be made for reservation of seats for a limited period or for the cooption of a suitable number of representatives.

44. A suggestion has been made that a change in the method of elections would be desirable. Thus, while the elections would continue to be on the basis of general adult franchise with a joint electorate, there should be reservation of seats for different classes of interest, such as cultivators of land mainly owned, tenant-cultivators, agricultural labourers and artisans. The sub-committee is, however, of the view that public policy and, in particular, land reform measures, such as the ceiling and conferment of ownership upon tenants tend to diminish the class distinctions. Besides, the classes of interest are not fixed and there is considerable mobility. The policy of Government is directed towards providing increasing opportunities for work and employment and it is intended that the entire resources should be mobilised from the point of view of the community as a whole. The village body should, therefore, serve the interest of the community as a whole and not merely class interests. Elections on the basis of reservation of seats would tend to aggrevate class conflicts and would thus be opposed to our general policy. We are, therefore, opposed to any change in the method of elections.

45. Efforts should be made to ensure that elections to the village panchayat are made as far as possible by the general consent of the people and the bitterness and hostility created by election campaigns is avoided. The membership of the village panchayat should be regarded as an opportunity for service to the people which should be undertaken by the best men in the village rather than as a means of obtaining power and prestige. At the same time it is necessary to bear in mind the dangers which are inherent in unanimity arrived at under pressure. Such unanimity may actually, over a period, develop below the ground conflicts which could have worse effects than the usually passing conflicts in an open election. Where, however, the agreement is spontaneous and genuine, suitable recognition should be given.

46. A suggestion was made that minimum educational qualifications should be prescribed for the sarpanches. We are, however, of the view that this would not be desirable as a local leader who commands the respect and confidence of the village and is thus suitable for election as a sarpanch may not always fulfil the minimum educational qualifications.

Gradation of Village Panchayats

47. Before taking up a detailed consideration of the functions of village panchayats, we should like to make it clear that the devolution of power to the village panchayat should be a speedy but gradual process and at each stage the State Government will have to satisfy itself that the panchayats have acquired the necessary skill in the art of self-government and command the respect and confidence of the people in the village. It should also ensure that the other difficulties with regard to the financial resources and suitable staff etc., have also been overcome. In this connection, the Congress Village Panchayat Committee which has made a detailed and comprehensive study of the subject suggested that the panchayats should be classified into three grades, namely, A, B, and C. The Tenancy Committee has supported the suggestion. In classifying the panchayats their experience and ability would naturally be taken into account. Where the panchayat has been elected on an unanimous basis by genuine and spontaneous agreement, this may also be considered as a significant factor for purposes of gradation. Panchayats which are placed in Grade 'A' may be given all the duties listed below. The other panchayats may be classed in Grade 'B' or 'C' according to their experience and ability and given less wide powers in the first instance. Effort should be made by providing the necessary training and financial support to enable the panchayats of lower grades to qualify for higher powers.

Judicial Panchayats

48. With regard to judicial powers, separate adalati or Nayaya panchayats have been established in some States. While this may be

followed as a general pattern the possibility of having a single organisation for the discharge of judicial as well as other functions may be examined. A close study of the working of panchayats should be maintained so that we may make the necessary adjustments in the light of experience. Judicial panchayats where they are established as a separate organisation should ordinarily have territorial jurisdiction over a number of villages lying within a radius of say 3 miles or with a total population of about 5,000 to 6,000. We agree with the recommendation of the Congress Village Panchayat Committee that each village community should elect a panel of five members to work on the judicial panchayats, which would thus have about 30 members elected from a few villages. Cases should be heard in the village itself in an atmosphere of informality by a bench of five (drawn from different villages) by a system of rotation. The judicial panchayats should also be graded, as suggested with regard to the village panchayats. Judicial panchayats of grade A may be entrusted with the judicial functions contained in the following list while others may be given less wide powers in the first instance.

49. The judicial functions may be classified as below:—

(1) Decision of disputes regarding land;

(2) Effecting transfers of land;

(3) Administration of civil and criminal justice; and

(4) Enforcement of minimum wages for agricultural labourers.

50. With regard to item (1), the Tenancy Committee has drawn up a list of disputes regarding land which should be dealt with by judicial panchayats. We are in agreement with the recommendations of the Tenancy Committee.

51. (Item 2) The Tenancy Committee has recommended that transfers should not be made by private contract between individuals. They should be made through village panchayats at regulated price and according to an order of preference which should be prescribed by law or rules. In agreement with the Tenancy Committee we would recommend that the price of lands which are to be transferred should be determined by the judicial panchayat, while the actual transfer be effected through the village panchayat.

52. (Items 3 and 4) The land Reform Panel is not concerned directly with these items. We have, however, included them in the list to make it comprehensive. With regard to the administration of civil and criminal justice we would suggest that a list may be drawn up indicating the nature of cases which can be made over to the judicial panchayat.

Functions

The functions which may be entrusted to the village organisation may be classified as below:—

ADMINISTRATIVE FUNCTIONS

Management of Land

(1) Association with the work of maintenance of land records;

(2) Making leases of land in all cases where the owner is unable to cultivate the land himself and desires that it may be let out for cultivation;

(3) Regulation of the use of common lands such as waste lands, forests, abadi sites, tanks, etc.;

(4) Allotment of abadi sites; housing condition of harijans and others, the layout of village sites;

(5) Allotment of cultivable lands for agricultural purposes;

(6) Allotment of land for non-agricultural use;

(7) Adaptation of the standards of good management and cultivation to local conditions;

(8) Inspection and judgment whether the standards of good management and cultivation have been fulfilled and the classification of farms according to their efficiency;

(9) Enforcement of standards;

(10) Collection of land revenue.

Development

(11) Development of common lands, such as, waste lands, forests, abadi sites, tanks etc., including measures against soil erosion.

(12) Organisation of mutual aid and joint effort;

(13) Promotion of cooperative societies, such as, rural credit, marketing, etc.;

(14) Promotion of cooperative farming societies;

(15) Framing programmes of development for the village;

(16) Framing budgets of requirements for supply and finance for carrying out programmes;

(17) Acting as the channel through which increasing Government assistance (other than the assistance given through agencies like cooperatives) reaches the village;

(18) Organizing voluntary labour for community works;

(19) Improvement of live stock;

(20) Construction, repair and maintenance of public wells, tanks, and ponds;

(21) Development of village industries;

Civil and Administrative Functions

(22) Education, culture and sports;

(23) Medical relief, sanitation and hygiene, and maternity and child welfare and relief to the poor;

(24) Registration of births, deaths and marriages;

(25) Construction, repair and maintenance, cleaning and lighting of public streets; removal of encroachments from public streets, construction or maintenance of culverts and bridges;

(26) Regulation of Melas and fairs;

(27) Rendering assistance in extinguishing fires and protecting life and property when fires occur;

(28) Maintenance of records of cattle census, population census and other statistics;

(29) Watch and ward;

Land Reform Functions

(30) Determination of land to be allotted to the owner in exercise of his right of resumption and the land to be left with the tenant;

(31) Association with the determination of surplus land (arising from legislation for ceilings);

(32) Association with the redistribution of surplus land (arising from legislation for ceilings); and

(33) Association with the work of consolidation of holdings.

54. (Item 1) The correct maintenance of land records is absolutely essential for the effective implementation of land reform measures. Experience in the various States has shown that the official machinery is not by itself adequate to the task. The existing records contain a large number of errors, some of them deliberate, in particular with regard to cultivating possession of land and entries relating to tenants and sub-tenants. The Tenancy Committee has recommended that all village panchayats, of whatever grade, should be associated with the preparation and maintenance of land records and has made suggestions in detail in this respect, with which we agree.

55. (Item 2) The Tenancy Committee has recommended that in order to prevent rackrenting of tenants or sub-tenants and to provide for a degree of flexibility in the land system (so that it may be possible for land-owners who wish to seek alternative occupation in the urban areas to lease their lands temporarily and on return to the village to get back their lands for cultivation and further to ensure that tenants are not rendered landless), leases of land should be made by the village panchayat. General principles for the guidance of the executive of the village, *i.e.*, the village

panchayat should be land down by the assembly of the village people as a whole within the frame-work of the law and the rules on the subject.

56. (Item 3 to 6) The Sub-Committee is of the view that the management of common lands and abadi sites etc., and allotment of abadi sites for house building and of plots of land to individuals for cultivation or non-agricultural use should be entrusted to the village panchayats so that the common lands may be utilised and developed for the benefit of the village community as a whole. It is understood that in the discharge of these functions as well as others, the village panchayat will be required to act in accordance with the State plans or directions and the provisions of the law and rules on the subject.

57. (Items 8 to 10) The question relating to land management legislation, the fixing of standards of efficient cultivation and management, the procedure and methods for their enforcement and the sanctions to be applied have been examined in detail by the Sub-Committee on Land Management. This Committee is concerned with the question of the agency to be employed for the enforcement of these standards. The Re-organisation Committee has decided that the village body should be the pivot of land management legislation, responsible for the adaptation of the standards to the conditions in the village, the classification of various grades, drawing up of phased programmes for development giving directions and supplying the necessary assistance and financial resources. In certain cases provision has been made for punitive action, *i.e.*, assumption or management by the State increases where a substantial or medium holder fails to reclaim cultivable waste, the State undertaking certain items of work on the failure of the cultivator to perform them and the imposition of fines in a few cases. In such cases the cultivator concerned should have a right of appeal to a higher authority. The establishment of such higher authorities is dealt within the sequel.

58. (Item 11) Wherever the village panchayats possess the necessary ability, the responsibility for collecting land revenue may be made over to them on payment of suitable remuneration in the form of a percentage of the revenue collected.

59. (Items 12—22) These should necessarily be dealt with by the village panchayats.

60. (Items 23—30) The Land Reform Panel is not concerned with these items which have been included in the list to make it comprehensive. The list is based upon duties which have already been entrusted to village panchayats in a number of States.

61. (Item 31) The Sub-Committee is of the view that the village panchayats should be entrusted with the determination of land to be allotted to the owner in exercise of his right of resumption and the land to

be left with the tenant. The work would necessarily have to be done in accordance with the provisions of the law and rules, but some degree of flexibility may be provided so that the village panchayat may be able to make necessary adjustments between the interests of the owners and the tenants.

62. (Item 32) In order to ensure that owners of land above the ceiling do not escape the provisions of the law, the village panchayat should be entrusted with the duty of checking up such cases and reporting contravention of the law to the revenue courts.

63. (Item 33) The village panchayats should be associated with the redistribution of surplus lands, but their recommendations should be subject to confirmation by the official agency.

64. (Item 34) The Sub-Committee is of the view that the village panchayat should be associated with the work of consolidation of holdings so that it may be carried out smoothly and complaints and grievances of the cultivators may be minimised. Where the Consolidation Officer disagrees with the suggestions of the village panchayat a reference may be made to a higher consolidation authority.

Sub-Committees

65. We have referred earlier to the appointment of sub-committees in cases where village panchayats have a circle extending over more than 1 village. The functions to be entrusted to these committees would include items 1 to 7 and 31 to 34.

66. It will be observed that the tasks to be entrusted to village panchayats include some which will necessarily involve a large measure of discretionary powers. Decisions which are biassed or incorrect and which do not have the general support of the village community may create discord and bitterness. Nothing should be done which would weaken the community spirit in the village. It will, therefore, be necessary to take particular care with regard to functions in which the village panchayat would need to exercise a considerable amount of discretion, such as item (2) lease of land, item (4) allotment of abadi sites, items (5 and 6) allotment of land for agricultural and non-agricultural purposes, items (8, 9 and 10) relating to standards of efficient management and their enforcement and item (31) relating to the determination of resumable and non-resumable areas. These functions should be entrusted only to panchayats of higher grades and where the State Government is satisfied that the panchayat commands the loyalty of the people and possesses the necessary administrative ability. It will also be necessary to make arrangements for effective training, guidance and for supervision over the executive body of the village, *i.e.*, the village panchayat. In the performance of its func-

tions, the village panchayat will depend for its success upon the extent to which the support and good will of the village people as a whole is available. In this connection we may refer to the constitution in some states of a general assembly of the village people comprising all adults. This is an interesting experiment which should be watched with care and as experience of its functioning is gained it may be desirable to consider its adoption in other States also. The general assembly may in such cases lay down general rules for the guidance of the village executive, in particular, with reference to functions which involve the exercise of discretionary powers.

Higher Units of Administration

67. The general considerations leading to the establishment of democratic village agency involve corresponding changes in the administrative structure of the district and intermediate units between the district and the village. Our development programmes require extensive control of economic activity and direction of social effort. This will lead inevitably to bureaucracy unless power is diffused, in as large a measure as possible among the whole mass of the people. Democratic institutions may lose their significance and become an empty form unless there is a wide field for self-governing cooperative activity by the people themselves.

68. We have suggested that the village panchayats should be entrusted with functions relating to land reforms, land management and development. For the efficient performance of these functions they should be revitalised and given adequate strength and support. The official administration is highly centralised and powerful machinery backed by wide experience, large resources and authority, while the non-official agencies are ill-equipped and start with a disadvantage. They have to generate power locally and be the spokesmen of this power, but they lack technical training, resources and authority. Unless counter-vailing advantages are given they cannot be expected to perform their duties satisfactorily. We have made some suggestions for removing the disadvantages from which the village panchayats suffer and for giving them the necessary authority for the management of the affairs of the village. It is further necessary to establish higher representative organisations which would give them the necessary support and guidance and help in training the people for democratic responsibility. These organisations would also be responsible for coordinating policies, carrying out programmes which require joint action by a group of villages and for ensuring public participation in administrative tasks at higher levels.

69. Besides, an examination of the functions described in the foregoing paragraphs would indicate that at several points, general supervision as well as support by a higher organisation is necessary. Without entering into a detailed description of the various aspects arising from the discharge of the duties of the village panchayats, we give below a few illustrations which will explain what we have in view.

70. For example, with regard to the regulation and use of common lands the following difficulties may arise :—

(*i*) The village panchayats may not take adequate interest in its work and fail to discharge the responsibility placed upon it;

(*ii*) The village panchayat may use its power in an irregular manner, contrary to the law or rules or directions on the subject;

(*iii*) An individual may be aggrieved at a decision of the village panchayat;

(*iv*) An individual may commit a breach of the regulations made by the village panchayat. For instance, some person may trespass unlawfully on common lands or may cut down trees or cause other damage to the property of the village panchayat.

71. Similar difficulties may arise with regard to leases of land, allotment of abadi sites, allotment of lands to individuals for agricultural or non-agricultural purposes. The village panchayats may in some cases fail to exercise the necessary vigilance and trespasses on abadi sites or common lands may occur. They may be slow in making the necessary leases or allotments with the result that the land remains unused or they may make leases or allotments in contravention of the relevant provisions.

72. Clauses (iii) and (iv) of para 46 raise questions of a judicial nature and we would suggest that in cases where an individual is aggrieved at a decision of the village panchayat there should be provision for appeal to an appropriate revenue officer or court. Where an individual causes loss or damage to the property of the village panchayat or commits a breach of regulations, the judicial panchayat may be empowered to deal with it on a complaint by the village panchayat. There should, however, be a right of appeal to higher court. Where the village panchayat itself fails to lodge complaint any individual residing in the village should have the right to do so.

73. With regard to cases of the nature of clauses (i) and (ii) of para 46, the representative agencies at higher levels should exercise general supervision, coordinate their work and give the necessary assistance and encouragement to the village panchayats in carrying out their duties. General supervision would include the power to inspect their work, give directions, correct mistakes and where necessary to recommended supersession.

74. Questions relating to the composition and functions of these higher agencies require further detailed examination and raise a number of important issues which are beyond the scope of this sub-committee or the Land Reforms Panel. The district which is the principal unit of administration is the focal point of several lines of authority and administrative action and comprises various representative and other institutions. In addition to the panchayats, there are district or taluka boards, municipal boards and other representative bodies in urban areas, community projects

and extension blocks and their advisory bodies and a number of departmental agencies for the coordination of whose work the Collector is generally responsible.

75. A question which needs careful examination is the extent to which delegation of powers by the State Government to the district is necessary as a measure for decentralised administration and for facilitating speedy execution of development programmes. A similar question concerns the extent to which the functions of the official administration at the district level can be transferred to the existing representative institutions such as the local bodies for rural or urban areas or the District Development Council whose establishment we have proposed in a succeeding paragraph. Related to this is question of resources for the local bodies.

76. There are number of problems about the territorial jurisdiction, composition and functions of the district or taluks boards. It has been suggested that there should be an organic link between the village panchyats and the larger representative bodies for rural areas, and that while the members of the village panchayats should be elected directly the higher rural agencies should be formed by indirect elections on a functional basis. The question whether the district boards should continue or be replaced by smaller units at the tehsil/taluka level also needs to be carefully studied.

77. Another set of problems concerns the relationship between these representative bodies and the organisation of community projects and extension blocks, and, as cooperative institutions develop and expand, the relationship between them and the village panchayats.

78. Subject to the consideration of these and similar problems we suggest as an immediate measure the formation of representative bodies at the District level and tehsil/taluka or Development Block Level.

It is proposed that every district should have a District Development Council composed as follows :—

(1) representatives of the district in the State Legislature and in Parliament,

(2) representatives of municipal committees and rural local bodies, (say, 10 in number),

(3) representatives of the cooperative movement (say, 4 number),

(4) representatives of village panchayats (say, 10 in number),

(5) coopted members from leading social service agencies constructive social workers and educational institutions (say, 6 in number),

(6) The Collector and district officials in charge of various development department.

79. It may be convenient at this stage for the Collector to be the Chairman of the District Development Council.

80. At the Tehsil/Taluka Development Block, there should be Development Committees, which may be composed as follows :—

(1) representatives of the area in the State Legislature and in Parliament,

(2) representatives of all urban local bodies and the Taluka Board or members of the District Board from the area (say, 8 in number),

(3) representatives of the cooperative movement (say, 15 in number),

(4) representatives of the village panchayats (say, 15 in number),

(5) coopted members from leading social service agencies; constructive social workers and educational institutions (say, 6 in number),

(6) officials-in-charge of development departments.

81. A fairly senior officer below the rank of Collector, such as a sub-divisional officer may, to begin with, be the Chairman of the Development Committee.

82. The representatives of various institutions would be elected by them in the manner prescribed by the State Governments in the light of local conditions.

83. We have emphasised the necessity of a higher representative organisation to give support and assistance and to supervise the work of village panchayats. It is desirable that the Tahsil/Taluka/Block Development Committee should be a statutory body with clearly defined authority and functions. Where, however, the circumstances in a State or region render this difficult, advisory functions may be given in the first instance.

84. The functions of District Development Councils would, in the earlier stages, be advisory. But these councils as well as the Taluka/Block Committees should have a considerable amount of initiative in determining the details of various programmes and distribution of resources within the frame-work set for the district by the State Government. They should be consulted before programmes are finalised. Their special task will be to ensure that the maximum amount of public cooperation and participation is secured, that the various programmes operate so as to be complementary to one another and that the disadvantaged sections of the community benefit adequately. The resources provided by the State Government are to be regarded as a nucleus to be enlarged through local community effort. They should also raise contributions from the people and promote the organisation of community chests for relief and welfare work.

85. As these bodies acquire experience and ability, statutory powers including the powers of supervision over the work of village panchayats should be entrusted to them, the aim being to reach the goal of decentralised administration at the district level by the end of the Second Five-Year Plan.

86. More specifically, within their areas the functions of District Development Councils and Tehsil/Taluka/Block Development Committees may be set out as follows :—

(1) to advise on the formation of each year's plan of development within the general frame-work of the five-year plan;

(2) to review progress in the implementation of approved programmes of development;

(3) to recommend measures for the effective and speedy fulfilment, with the maximum support from the people, of schemes of economic and social development and, more especially, of national extension and community projects, agricultural production programmes, local development works, social services, village and small industries;

(4) general supervision over the work of land reforms, land management and development by village panchayats;

(5) to promote public participation and cooperation in development programmes and to expand local community effort both in rural and in urban areas;

(6) to promote the small savings movement;

(7) to assist the development of cooperatives and village panchayats;

(8) to enlist the active association and cooperation of teachers and students in the study and development of local resources; and

(9) to provide opportunities for the education and training of members and sarpanches of village panchayats.

87. While the territorial jurisdiction of development Committees will depend upon the conditions in each State or region, it would be desirable, as far as possible, to establish them at the block level or where extension blocks do not exist for an equivalent region which would ordinarily be about 100 square miles in area with a population of about 60,000 persons. The circles should also, as far as possible, be co-terminus with existing administrative units. Where the circle of a Development Committee is substantially larger, sub-committees for a region of about 100 square miles should be set up.

ANNEXURE I

Report of the Sub-Committee set up by the Committee on Problems of Re-organisation, Panel on Land Reforms to suggest standards of efficient cultivation and management and sanctions for enforcement of standards.

Land is one of the country's most important resources, its full and efficient use is, therefore, a national responsibility. The occupier of land is under a social obligation to maintain a reasonable standard of efficient production and to preserve and develop the fertility of the soil. The object of the land management legislation is to provide the necessary incentives and sanctions for the performance of this duty.

2. The measure cannot, however, be regarded merely as a means of coercion in isolation from other factors which are essential for the maintenance of efficient production. The prescription of standards should necessarily be linked up with the fulfilment of certain pre-requisite conditions, such as stability of tenure, consolidation of holdings, progressive development of co-operation in various spheres of agricultural activities, and increase in State assistance in the supply of financial resources and technical guidance and supplies. In fact, it follows as a corollary, from the cultivators responsibility to the community, that there are certain duties which the State owes to the cultivator. While the response to the various measures adopted by the State for increasing agricultural production has generally been very encouraging, particularly in the community project and National Extension Service block, nevertheless a certain measure of control is necessary to ensure proper untilisation of land by the small minority of cultivators who would not otherwise respond as actively and promptly as they should, particularly because such recalcitrance even on the part of a few may, to a great extent, nullify even the efforts of the others in regard to such measures as control of insects, pests, diseases and weeds and soil conservation etc.

3. Some of the methods for increasing production largely depend upon the efforts of the individual cultivator while others demand co-operative action by a group such as, for instance, the construction of a well which will serve the holdings of a number of small cultivators. The scope for co-operative activity in measures for promoting efficiency is very wide and will tend to increase as the cultivators learn the advantages of improved methods. Land management legislation is necessary both to facilitate such co-operative activity and to provide the necessary incentive in cases were only individual effort is required.

4. In the United Kingdom the prescription of standards of good estate management and good husbandry has been used successfully to promote the

Government's agricultural policy for maximum production, which on one hand, the Government have provided 'Stability' to Agricultural Industry and have rendered the farming occupation as remunerative by guaranteed prices for crops with assured markets, on the other hand, it has demanded 'Efficiency' from all concerned. Where an owner or occupier of agricultural land fails to comply with his responsibility under the rules of efficiency management or cultivation, the Government is empowered to issue an order for supervision and to give directions necessary to make the owner or occupier fulfil his responsibility to manage or farm the land efficiently. In the case of an owner, the directions may include such matters as the provision, repair and maintenance of fixed equipment and in the case of an occupier, the efficient cultivation of the land, proper management of livestock, the application of fertilisers or control of pests and diseases etc. Where an owner or occupier has been placed under supervision and does not make satisfactory improvements within 12 months, the Government has the power to dispossess him; in the case of an owner by compulsory purchase of his land, in the case of a tenant by termination of his tenancy and in the case of an owner cultivator, by requiring him to lease the land to an approved tenant.

5. An obvious test of good husbandry may appear to be the comparative yield of crops, or the gross produce per acre. The Sub-Committee is, however, of the view that firstly we do not possess adequate statistical data to ascertain with any degree of accuracy, the gross produce which different types of land should yield under reasonably efficient methods of cultivation; secondly the determination of yield in the case of numerous disputed fields would present numerous practical difficulties; thirdly, which is most important, the yield varies with a number of factors whose effects cannot be measured quantitatively, such as location, the fertility and texture of the soil, the vagaries of the climate, the incidence of epidemic etc., which, by and large, are beyond the control of farmer. It is, therefore, essential that the tests should be such as will facilitate an objective judgment by inspection of the fields, and carry conviction to an impartial observer. They should also be comprehensive enough to eliminate or at least reduce, the chances of injustice or apprehension by biassed judgment.

6. Having given careful consideration to the various possible tests of good husbandry, the Sub-Committee is of the view that efficiency of cultivation and management should be judged with regard to the following factors :—

(*i*) Land :

(*a*) Levelling, bunding, terracing (where necessary and economically practicable) and other measures needed for maintaining the fertility of the soil.

(*b*) Development and use of cultivable waste land such as reclamation of cultivable waste land by drainage of water-logged area, removal of alkali or kallar, by anti-erosion or soil conservation measures, eradication of pernicious weeds, clearing of bushes and shrubs;

(*ii*) Use of pure seeds of approved variety.

(*iii*) Manures and fertilisers :

(*a*) conservation of farm yard manure;

(*b*) composting of all kinds of farm refuse;

(*c*) adoption of green manure as a regular practice;

(*d*) use of chemical fertilisers where necessary and economical.

(*iv*) Irrigation :

(*a*) where canal irrigation is not available, construction of wells, tube-wells, pumps, tanks and dams wherever possible either independently or in co-operation with the neighbouring cultivators;

(*b*) economic use of water by proper maintenance of irrigation channels, *i.e.*, plastering, keeping them as far as practicable, in straight lines and not zig-zag, keeping them free from weeds and making the irrigation channels *pucca*, wherever economical, in order to prevent leakage of water.

(*v*) Agricultural Implements :
Use of agricultural implements of improved variety as recommended by the Agriculture Department for particular tracts.

(*vi*) Control of insects, pests and diseases and eradication of pernicious weeds, independently as well as in co-operation with local cultivators, in accordance with methods generally recommended by the Agriculture Department.

(*vii*) Improved agricultural practices in respect of :

(*a*) preparation of seed beds;

(*b*) methods of sowing;

(*c*) inter-culture of crops;

(*d*) weeding;

(*e*) rogueing;

(*f*) harvesting practices.

(*viii*) Suitable rotation of crops.

(*ix*) Planting and care of trees (especially along water courses, near wells and on uncultivated lands).

(*x*) In case of 'dry farming' improved dry farming practices as recommended by the Agriculture Department such as :

(*a*) shallow ploughing before the commencement of the rains;

(*b*) removal of weeds;

(*c*) bunding and terracing;

(*d*) conservation of moisture by ploughing and sohaging immediately after the rains stop.

(*xi*) Adoption of 'Fixed Farming' or industries allied to agriculture like fruit and vegetable gardening, dairy farming, poultry or bee-keeping,—the extent to which the recommendations of the Agriculture Department on the subject are followed.

(*xii*) Animal Husbandry :

(*a*) Maintenance of approved breeds of live stock;

(*b*) Satisfactory provision for feeding of animals; feeding stalls;

(*c*) Conservation of manure;

(*d*) Proper housing of animals;

(*e*) Protective measures against and treatment of diseases.

(*xiii*) Farm equipment and investment in permanent improvements.

(*xiv*) Adequate arrangements for storage of produce.

(*xv*) Housing conditions of agricultural workers on the farm.

(*xvi*) In the case of large and medium sized farms, maintenance of simple farm accounts as may be prescribed.

(*xvii*) Participation in co-operative associations.

7. The adoption of the standards outlined in para 6 will naturally be a gradual process depending upon the speed with which the necessary administrative organisation and social opinion for their enforcement can be built up. In the earlier stages, utility will consist mainly in their educative value, they help in awakening a conscious desire among the cultivators to improve their agricultural technique and serve as models of what a good farmer is expected to do. In fact, some of these measures are already being enforced in a number of States. Many States had assumed powers under the Fallow Lands Acts, adopted in co-operation with the Grow More Food Campaign to take over unutilised cultivable waste lands and other cultivated lands left fallow over a period and lease them to others who would undertake to reclaim and cultivate them. Bombay had enacted in 1948 the Land Improvement Schemes Act under which the Government may require any cultivator to take up a scheme of land improvement, such as, bunding, drainage, construction or repairs of irrigation works etc. If

the cultivator fails to do so, the Government has the authority to execute the same on its own and recover the cost from him. The extent to which these measures can be enforced, however, depend upon the availability of the administrative and financial resources. In the Punjab, a law has been enacted under which the Government may order the use of insecticides by cultivators over areas affected by pests or else carry out the work and recover the cost from the beneficiaries. Legislation has also been enacted to promote use of seeds of approved variety and quality. For instance, the Government may select, say, a tehsil where only American cotton (as against *desi* or mixed variety) should be grown, determine the area to be put under cotton in the tehsil and the approximate quantity of the seed required; create an organisation for the distribution of the seed among the cultivators on cash or credit basis; and then require every cultivator in the tehsil, under the Law, to grow American cotton only. If any cultivator fails to grow American cotton, he would be liable to a fine by a court. We have accordingly included these measures in para 6, sub-paras (*i*), (*ii*), (*iv*) and (*vi*) above among the standards to be enforced.

8. We have also examined the question of restricting the enforcement of these measures to holdings above a given size. We are of the view that the above measures should, in principle, be applicable to all farms irrespective of their size. For instance, where a crop has been affected by a pest or disease, it will be well nigh impossible to control or eradicate the pest or disease unless insecticides are used over all holdings in the area irrespective of their size. Similarly in a case where soil erosion is taking place over an area, the measures of soil conservation may have to be applied in common to a number of holdings big or small in the area affected by soil erosion. However, as stated earlier, the extent to which these measures could be enforced will depend upon the administrative and financial resources of the State.

9. As regards sanctions, in the case of cultivable waste lands, item (*i*) it is suggested that the Law may provide for the State taking over the land and arranging for its reclamation and cultivation. Where these lands are held by small holders, it would, however, be preferable for the States to carry out the necessary schemes for reclamation of the land to recover the cost from the cultivator concerned. With regard to levelling, bunding and fencing as also items (*iv*), (*vi*) and (*x*) relating to irrigation works, control of insects, pests and diseases and eradication of weeds and terracing of fields, it is suggested that in case a cultivator fails to fulfil the necessary standards, the State may carry out the work and recover the cost from the cultivator concerned. In all cases where the work is carried out by the State, a penalty upto 25% of the cost may be recovered in addition. It is necessary to provide for a penalty in order to discourage cultivators of means from shifting the financial obligation to the State. The penalty may, however, be suitably reduced or remitted in special cases, such as,

very small holders, widows, minors etc. The penalty should be made over to some common local fund, say, panchayat fund. With regard to items (*ii*) and (*iii*) (*b*) in case where a cultivator fails to use improved seeds or make compost of farm refuse, provision for a small fine may be considered. In regard to the former, however, the pre-requisite of the application of the sanctions would be the provision by the State of sufficient quantity of the requisite seed made available to the cultivators from seed stores located within easy distance.

10. We have also included certain approved agricultural practices, use of implements and machinery and other measures for dry framing, mixed farming and animal husbandry in the list of factors in sub-paras (*iii*) (*b*) (*iii*) (*c*), (*v*) and (*vii*) to (*xvii*). In case of many of these measures and practices, objective judgment and subsequent enforcement of sanctions would present difficulties. And yet they plan an important role for increased production and employment in agriculture. By proper publicity, demonstrations and training and provision of adequate incentives, much could be done to promote the adoption of the above practices particularly on the medium and large farms. As a step towards this, we suggest that the farms should be classified into the following five categories according to the quality of their management :—

Grade I	Very good
Grade II	Good
Grade III	Average
Grade IV	Fair
Grade V	Bad

In classifying the farms all the factors mentioned in para 6 would be taken into consideration. It has also to be kept in view that action by a cultivator on any one factor may be taken in varying degrees. For the purpose of classification, allocation of marks for each factor could be considered.

The adjustment in the standards and in the allocation of marks for the various factors will have to be made to suit the local conditions. For instance, in an area where development of land and development in use of water for irrigation are the major needs, a greater number of marks may have to be allocated to these factors and less marks to other factors. In areas where land and water resources are already developed the emphasis may shift to schemes of use of improved seeds, manures and fertilisers and control or eradication of pests and weeds for which a larger allocation of marks may become necessary. It may be mentioned that in classifying the farms, a certain element of subjectivity is inevitable. It should, however, be possible to reduce it gradually as experience is gained. In the first instance, it will be necessary to restrict the applications of the above scheme of classification to farms in selected size groups only, such as, the substantial and medium sized farms. When a ceiling on land holdings is applied,

with the exception of a few highly efficiently managed farms (whose break-up may be a social waste, such as those which are placed in the category 'very good') the substantial farms will generally disappear and classification will be applicable to the medium sized farms. To begin with the application of the scheme of classification may not apply even to all the medium sized farms; it could be restricted to such of them as consist of, say, 2 family holdings and above. Gradually as administrative machinery has been built up adequately and sufficient experience gained, the scheme of classification may be extended to the other medium sized farms.

11. A farm which is placed in one of the grades below the 'average' at the first classification, could be placed under supervision and warned to bring up the standard to the level 'average' within a certain period depending upon the kind of improvements needed, but not exceeding 2 years. Such a farm should have an approved programme of development to be carried out with such Estate assistance as may be available. If at the end of the period, it is still observed that the farm has not come up to the 'average' standards, it should be taken over by the State and arrangements made for its cultivation. Approved programmes of development should also be drawn up for raising the farms of the 'average' grade to the higher grades. Farms exhibiting higher standards of efficiency should get suitable recognition.

ANNEXURE II

COOPERATIVE FARMING

Summary of the Studies of the selected Cooperative Farming Societies.

Studies of 23 co-operative farms were undertaken by the Programme Evaluation Organization of the Planning Commission. The societies are distributed among various States as under :—

Andhra	1	Hyderabad	1
Bombay	3	Pepsu	1
Bihar	2	Mysore	3
Madras	1	Travancore-Cochin	1
Madhya Pradesh	2		
Orissa	2	U.P.	2
Punjab	2	West Bengal	2

The co-operative farming societies which have been studied, broadly speaking, fall into three groups :—

(1) *Joint farming societies* : These societies have been formed by members who have their own lands with the society. The following societies fall in this group :—

Bihar	The Cane Growers Cooperative Society Ltd. The Chauriharwa Cane Growers Cooperative Society Ltd.
Travancore-Cochin	The Vedayara Karishak Cooperative Society Ltd.
Madhya Pradesh	The Cooperative Farming Society, Naya Akola.
Punjab	The B.G.S. Cooperative Farms Ltd., Shahapura.
West Bengal	The Brari Cooperative Farming Society. The Sodhya Cooperative Farming Society Ltd.
Pepsu	The Sewanagar Cooperative Society, Parwa.
Bombay	The Rasulabad Cooperatve Joint Farming Society Ltd.
U. P.	Cooperative Farming Society, Janura (Jhansi).
Mysore	Karekere Joint Farming and Multi-purpose Society Ltd.

In the first five cases, the members are mostly landlord type and cultivation is done mainly through hired labour.

Generally the lands have been transferred to the society in perpetuity, the members having no right to withdraw the land except on the dissolution of the society. In some cases the lands have been transferred on lease to the society for limited periods.

(2) *Collective Farming Societies* : This group includes those societies which have generally taken lands from the Government and/or have purchased the lands. The land belongs to the society and no individual

member holds any part separately for cultivation. This group includes the following societies :—

Bombay	The Subhash Samudayik Sahakari Shetki Sangh Ltd.
Orissa	The Sulia Joint Farming Cooperative Society Solapata.
	The Gopabandhu Joint Cooperative Farming Society Un-limited.
Mysore	The Halaganhally Depressed Class Residential Agricultural Cooperative Farm Ltd.
	Vallabhgarh Cooperative Farming Society, Thalikette.

(3) *Tenants Farming Societies* : These are :—

Bombay	The Karlkatti Group Sahakari Samuhik Okkaltanda Sangha Ltd.
Madhya Pradesh	The Vihad Cooperative Rehabilitation Collective Farming Society Ltd.
Madras	The Andhiyur Agricultural Colonisation Cooperative Society.
Hyderabad	The Cooperative Tenant Farming Society, Malkapur.

These societies have taken lands either on lease or ryotwari patta from the Government. The lands have been distributed among the members into separate blocks for individual cultivation. The society merely performs certain services which consist mainly of taking and re-distribution of the loans and grants. The ownership however, continues to vest in the society and the members are the tenants of the society. The Societies in this group do not generally perform any collective work. They do not even provide services such as crop planning. In most cases even the produce is not marketed on co-operative basis.

From the management aspect, the societies in groups (1) and (2) have generally adopted the same technique of management. The entire land of the society is cultivated as one unit. The work is allotted by one of the functionaries of the society to individual members from day to day. A muster roll showing the number of work-days put in by each member is maintained, and the payment to each individual member depends on the number of work days put in by each member.

The Sewanagar Society, PEPSU, however, has developed a somewhat different type of management. In this case the society performs major operations of ploughing, sowing and harvesting. For subsidiary operations, the lands are distributed into four blocks each allotted to a group of members who work under a group leader. The group retains one-fourth of the produce as its share of wages and within the group, the Share is distributed among all working members equally.

The societies have generally received liberal assistance from the Government; but only in 4 cases productive investment has been made in any appreciable scale by members from their own resources. The societies

have generally worked under the guidance of the co-operative departments. The agricultural departments have not been associated in many cases. In some cases, societies have entirely depended on the official staff provided by the Government.

The studies have been summarised in the succeeding paras.

JOINT FARMING SOCIETIES

1. *Cane-grower Co-operative Farming Society, Ltd., Narha, Bihar* (47 *miles from Muzaffurpur*)

The society was formed in 1936 but co-operative farming was undertaken in 1949. The number of members on the co-operative farm is 19 whereas the total number of members of the co-operative society is 99. All the members of the farm are Brahmins and Rajputs who do not engage themselves in manual labour on the agricultural farm.

In the first instance, about 20 acres of waste land which was used for pasture, was pooled because the owners could not attract tenants. More people joined later and another area of 16 acres was pooled. A tube-well was installed on the first block and the members then thought that they could cultivate as well on individual basis. Besides, there was difference of opinion about the share of the produce which was fixed in proportion to the area without regard to qualities of land. So the co-operative farming on the block of 20 acres broke down leaving with the society only second block of 16 acres. This block belongs to one zamindar and a leading tenant. The major part of the land held by members (about 290 acres) is outside the farm.

The farm is managed by the executive officer of the farm with the help of a paid kamdar and hired labourers. The Executive Officer is an old Congress worker and is secretary of the Central Co-operative Union.

The principal crop is sugar cane which is sold 5 miles away. From 1949 to 1952, 50 per cent of the gross produce was given as ownership dividend. In 1952-53, it came to Rs. 53 per acre. In subsequent years, no ownership dividend was paid and the income was used to repay old loans.

The society received a loan of Rs. 5,000 from Government. The farm has already repaid Rs. 1,000.

2. *Chauriharwa Cane Growers Co-operative Society, Ltd., Bihar*

The Chauriharwa Cane Growers Co-operative Society was set up in 1942. After 3 years of its establishment the society took up co-operative farming as well. 10 members of the society holding 210 acres pooled their land for joint management. Three of the members constituting a sub-committee of the society look after the affairs of the farm. These do not participate at all. Actual cultivation is done by hired labourers generally belonging to Scheduled Caste and local Tribes.

The labourers are paid in cash on daily basis. The permanent workers get As. -/12/- a day and the casual workers Re. 1 to Rs. 1/4/-. The labourers are not given any particular area to cultivate and do not get anything as share of the produce. 50 per cent of the net income goes to members as ownership dividend, the rest being utilized for other expenses and for creating unspecified fund. As against the annual rent of Rs. 350 payable to the State for the land an ownership dividend of Rs. 28,403 was declared in 1953-54, that is about Rs. 135 per acre.

The farm receives Government assistance in the form of loans, supply facilities and technical guidance.

The society has introduced mechanised farming and adopted improved agricultural practices. But how far it serves the ideals of co-operation is doubtful. The actual tillers of the soil remain unaffected.

3. *Rasulabad Co-operative Joint Farming Society, Ltd., Bombay*

The society was formed in 1950. There are 29 members. It is a joint farming society. The members have leased out 440 acres of their own land to the society for 10 years. No member holds any land outside the society.

The entire area is cultivated as one unit under general supervision of the managing Committee. There is an elected manager who looks after office and accounts work and also the affairs in general of the society. There is an elected supervisor who allots work to working members from day to day. The chairman of the society is the leading light of the society and commands the confidence of all. The manager is also a trusted member.

Out of 29 members, 20 work on the farm. 5 of them are non-residents.

The members receive ownership dividend as determined by the society each year, the maximum rate being 6 per cent of the land value. Wage bonus has also been paid; during the last year, the wage bonus was As. -/9/- per rupee of the wages earned. The Society's wages paid to members (Rs. 1/8/- per day, are reported to be much higher than the obtaining rate in the locality (As. -/8/- to Re. 1). The supervisor gets Rs. 2 per day and the manager Rs. 4. The society has received from Government :—

Loans	..	Rs. 34,834
Subsidy	..	Rs. 21,116

The assets of the society consist of Rs. 1,27,460 and the liability towards Government, members and non-members on account of loans and deposits, is Rs. 68,000.

The main items of investment are :

Machinery (Lift irrigation)	Rs. 37,000
Tractors, implements and live-stock ..	Rs. 29,000
Wells	Rs. 7,000
Cattle-sheds and godowns	Rs. 7,000

Naya Akola Co-operative Farming Society, Madhya Pradesh

The society was formed in 1948. There were 12 members with malik-makbuza rights who leased their land (116 acres) to the society for a period of five years for joint cultivation and management. Most of the members did not put in any work on the farm and land was cultivated mainly through hired labour. The entire land was managed as one unit. The workers who worked under the supervision of the president got fixed wages. The profits were distributed among land holders after making allowance for special funds. The society did not work well and is now on the verge of liquidation. There are 4 members left now with an area of 28 acres.

The reasons for the failure of the society are :

(1) More than half the members joined the society as they were unable to manage the land independently. They joined the society to get high dividends without bothering about the affairs of the farm.

(2) Land was not in a compact block. . It was scattered over several pieces making efficient cultivation and supervision difficult.

(3) The land was unirrigated and irrigation facilities were difficult to be provided.

(4) The society received land for a limited period of 5 years after which the members had the option to quit. The society did not, therefore, undertake land improvement schemes or public or social activities.

(5) There was no incentive to member-cultivators to work hard as they got only fixed wages while the profits for the most part were either reserved in special funds or distributed to non-working members as ownership dividend.

The Registrar of Co-operative Societies and Director of Agriculture, Madhya Pradesh have stated that the State Government gave all possible guidance and technical aid but the society failed mainly due to factors 4 and 5 mentioned above.

5. *Vadayar Co-operative Farming Society Ltd., Travancore-Cochin*

The society was set up in 1950. At present there are 258 members who have pooled 515 acres for joint management. The land is keri punja which is flooded with water for most part of the year. The cultivators

have joined together to erect and maintain bunds, dewater the field and use improved methods of cultivation. The area is divided into 5 blocks. Elected Block Executive look after the work in the Blocks under general guidance of managing Committee of the Society. Actual cultivation is done by the members in their respective fields themselves generally with assistance of hired labour.

The holdings in this area are generally very small ranging from less than half acre to 2 to 3 acres. They are un-economic and the holders generally have to find some other occupation for large part of the year. They are also very costly and punja lands require bunding and dewatering which no individual holder can independently manage. There is substantial scope for their joining together at least for specific function of bunding and dewatering. Joint farming and mechanised agriculture cannot be adopted at this stage because of too much attachment of middle and small holders to their bits of land and abundance of labour power.

6. *B.G.S. Co-operative Farms Ltd., Shahapura, Punjab*

The farm was set up in 1951. Three families of displaced persons who had been allotted about 500 std. acres in Shahapura and nearby villages, pooled their land for joint cultivation. Out of 18 members of the society 3 participate in the affairs of the farms—that also work of supervisory nature. Cultivation is done through 14 permanent labourers. The land is in 4 blocks but management is one. The Managing Director of the farm Col. Bikramjit Singh who is formally elected by the members is the man behind the experiment. The members receive ownership dividend more or less equal to market value of rent. The managing director gets in addition Rs. 400 per month. The labourers are paid fixed wages in kind—40 maunds of wheat, 2 mds. of rice and 2 mds. of maize—annually and in addition Rs. 6 in a year on festivals. They do not receive any wage bonus. Paid supervisor looks after day to day affairs of the farm. There are besides three tractor drivers.

The farm is highly mechanised. The members have invested Rs. 30,000 and Rs. 32,000 have been borrowed from Central Co-operative Bank, Ambala. 60 acres of waste land have been reclaimed, wells have been repaired and 7 pumping sets have been installed. The standard of cultivation and average yield are above those obtained in the vicinity. Being situated in a Development Block, the farm receives usual guidance and assistance from the State.

The Director of Agriculture has made the following comments on the working of the farm :

(1) The society under review is not a model co-operative farming society but a sort of limited concern managed as a commercial farm through managing agents, highly paid staff and hired labourers. The society is a body of closely related relations including women most of them

being non-working, non-residential sleeping partners. The main objective of the forming the society seems to be the evasion of recent tenancy and land reform laws.

(2) So far as financial returns are concerned, the position is not very encouraging, the main reason for low return being the high cost structure.

(3) No much attention has been given to business efficiency and technical aspect. Special technical staff should be appointed in the co-operative department to make co-operative farming successful in the State.

7. *Undata Fazalpur Co-operative Farming Society, Punjab*

This society was organised on the initiative of a veteran Congress worker in 1950.

The society has 155.4 standard acres of land which was allotted by the Rehabilitation Department in 1954 to individual members on quasi-permanent basis. The society consists of 14 members—seven of them are land owners belonging to a single family. The lands, comprising 155.4 standard acres, are held by the society on 20 years lease. The lands were originally evacuee land which were allotted to the 7 land owning members in lieu of lands left in Pakistan. Only one member actually works on the farm. One of them works as Manager and another as Supervisor. The land-owning members are absentees.

Out of the 5 members of the managing committee one is appointed as the hony. manager who exercises overall control to organise and supervise the work of the Farm. There is a paid whole time supervisor to assist the hony. manager in drawing up cropping and development schemes. The manager resides three miles away from the farm but visits the farm daily.

The farm is fully mechanized. The whole area is irrigated—115 acres by canals and the rest from wells. The main crops are sugar-cane, cotton, groundnut, wheat, gram and berseem fodder. There is a marketing centre four miles away.

The society has taken Rs. 11,977 from the Co-operative Central Bank, Jullundur and from the members Rs. 33,150 and Rs. 26,717 by way of shares and deposits respectively. The investment of the society on machinery and building is to the tune of Rs. 34,000. There was no financial assistance from Government.

The society has been running in loss which totals upto about Rs. 30,000. It is not stated what rent is paid to the members for the land. No profits have been distributed so far.

It is stated that the society was formed with a view to avoid the provision of the Punjab Tenancy Law.

8. *Berari Co-operative Farming Society, West Bengal*

The society was set up in May, 1952 with 34 members having occupancy rights in 151 acres of land. The entire land has been transferred to the society. The members do not have the right to withdraw land except

on the dissolution of the society. The land is cultivated as one unit under the guidance of the Board of Directors elected by members. The farm equipment is owned by the society. Out of 34 members, only 11 participate in the operation. Among others, 14 are women and 2 non-residents who, before joining the society, got the lands cultivated by crop-shares. The crop-sharers were not admitted as members and were thus displaced.

Almost the entire area consists of single-cropped paddy land. Tractor is used for ploughing. The labour of the working members for the greater part of the year is sufficient, casual labour being employed for certain portions. The working members are paid annual wages according to the number of work-days put in by them. For taking into account the quality of work, the remuneration to a member is determined by each member assessing it separately and then taking the average.

One-third produce is given as ownership dividend, under the law the crop-sharers' rent being one-third of the produce. According to the bye-laws, profit, after making allowance for reserve funds etc., is to be distributed to the members but none has been distributed so far.

Land is not in a compact block and the need for consolidation is being felt acutely. The lack of consolidation has made the use of tractors difficult and costly. The Government had given a subsidy of Rs. 6,000. The society has invested in land improvement Rs. 10,200 in addition to the investment in purchase of tractors and implements.

As all the bullocks were sold, there is shortage of manures the Vice-president is a young graduate who takes the leading role in the management and commands the confidence of all members.

9. *Soddya Co-operative Farming Society, West Bengal*

The society was formed in 1950. There are 34 members. They have pooled the entire area of 305 acres held by them, under occupancy rights, which has been transferred to the society for joint cultivation and management. They do not have the right to withdraw land except on the dissolution of the society. The entire farm equipment is owned by the society.

The whole area is managed as one unit for agricultural operations. The members generally do not engage themselves in manual labour on the farm except the four persons belonging to the members' family who work as tractor drivers. The entire work is done by hired labour. 10 of the members supervise the work.

One-third of the produce is given as ownership dividend.

The incentive for the formation of the co-operative farm resulted from scarcity of local labour, members themselves being non-cultivators. Mechanical cultivation has proved costly. Recent election for the Presidentship has left behind a trail of bitterness. There are two factions and no single individual commands confidence of all. The society had taken on lease 100 acres at a far off place. The reclamation of this area proved costly and resulted in a loss of Rs. 12,000.

The society has received from Government a subsidy of Rs. 10,500. The developmental investment by the society consists of Rs. 37,500 as below :

Two tractors	Rs. 23,000
Pumping plants	Rs. 2,000
Livestock	Rs. 6,000
Two godowns under construction ..	Rs. 3,500
Reclamation of jungle	Rs. 3,000
	Rs. 37,500

10. *Sewanagar Co-operative Farming Society, PEPSU*

The society was established in 1950. Its membership consists of 36. The total area held by the society is 565 standard acres, which was allotted to the members in lieu of lands held by them in Pakistan. The entire area is held as one unit (one allotment), the individual share of the members is not demarcated. The whole area consists of one consolidated block and with the exception of 10 to 15 acres of land, the whole area is irrigated by wells on which pumping sets have been installed. No member retains any holding or a part of a holding outside the farm.

Very largely the society performs the principal agricultural operations, like ploughing and harvesting. Tractors are used generally but where a tractor is not available, ploughing operations are performed with the help of bullocks. The farming equipment belongs to the society. For the performance of subsidiary operations, the entire farm area is divided into four blocks. Each block is allotted to a group of members who are responsible jointly for work on that block. The bullocks used on a block are maintained by the block members jointly. Each group has a group leader who is elected by the general body of the members of the society and not by merely the members of the group. For the general supervision and management of the farm, there is the managing committee and its president looks after the affairs of the society on behalf of the committee. There is no manager. The secreterial work is also done by the members who are paid like other worker members on the farm. The treasurer and the secretary are, however, given some honorarium.

The managing committee draws up plans for cultivation of various crops during a particular area. In this the local agricultural extension officers are consulted.

One fourth of the produce of the block is distributed among the members of the block as pay for the labour contributed by them. The remaining three-fourths of the produce is transferred to the society. Within the group the share of the block is divided according to the number of adult workers provided by each family. The value of the produce which

each member, thus receives, is reported to be higher than the customary wages prevailing in the locality. The ownership dividend is payable for the lands contributed by the members. As all profits are to remain indivisible for the first ten years, no ownership dividend has been paid so far. It may be mentioned that the area contributed by each member to the farm, varies from 5 to 42 standard acres.

The society has received from Government Rs. 22,660 as subsidy and Rs. 12,077 as loans from time to time. In addition the society received deposits from members to the tune of Rs. 19,000 and from non-members Rs. 2,700. The total amount assets of the society consist of Rs. 1,14,600 and the liability to Government, members and non-members on account of loans and deposits is Rs. 45,000. The principal items of investment made by the society consist of machinery Rs. 37,000; Cattle Rs. 10,000; Houses Rs. 7,000.

The president, Shri Boota Singh commands respect inside as well as outside the society and his leadership is accepted by all the members. The lands were allotted to the society on the request of the individual members who approached the Government as a co-operative group. Most of the members except women-members work on the farm.

The Development Commissioner, PEPSU, attributes the success of the Society to the faith in co-operation the members have and good leadership. He has also drawn attention to the need of rural electrification and diversification of agriculture to enable the society to grow fully.

11. *Co-operative Farming Society, Januara (Jhansi) U.P.*

The society was formed in 1953. It has 20 members who have pooled together, till dissolution of the Society, 242 acres, 180 acres being under sirdari rights and 62 acres with bhumidari rights. 142 acres of this area are unirrigated including 56 acres of cultivable waste. The bulk of the area is in one compact block. The farm is managed as one unit under general guidance of the elected managing committee. The president looks after the day to day work.

Out of 20 members, only 4 members, who were formerly landless workers, actually work at the farm; 3 members do supervisory and office work and 13 members do not work on this farm at all. The working members get wages in addition to dividends from profits, the non-working members get only dividend from profits according to their share contribution. 25% of the net income is earmarked for reserve fund. So far no wage bonus or ownership dividend as such has been paid.

The Society gets usual assistance, being situated in a Community Project Block. For finances, it has depended more or less upon its own resources. Of the total assets of Rs. 25,739, the members have contributed Rs. 10,105 as share capital and Rs. 8,400 as deposits, loans and subsidies from the State being Rs. 7,000 (Rs. 5,500 loan and Rs. 1,500 subsidies).

The society has reclaimed 20 acres so far. It has purchased a persian wheel and is negotiating for a pumping set. It has a tractor and allied machinery. It has also spent considerable amount on bunding and digging of wells. The yields per acre on the farm compare favourably with yields under similar conditions on individual farmer's land in the area.

It may, however, be mentioned that under the existing legislation, bhumidars and sirdars cannot generally sublet the land. By joining the Society, 13 members who are non-working members have been able to get good returns without any difficulty. There is no mention in the bye-laws that the members should put in some work on the farm.

12. *Co-operative Farming Society, Darauna (U.P.)*

This society was established in the year 1948 in the village of Darauna, Tehsil Mehrauni, District Jhansi with 36 members on a compact block. In 1949, membership shot up to 49. But, in the year 1952, 13 of the members who happened to be money-lenders, seeing that they could neither prosper themselves nor disrupt the unity of other members, left the society.

The total area of the society now consists of 258 acres which were once Kans-infested and were reclaimed by the Central Tractor Organisation. The lands belong to 29 members. The other seven members have not contributed any land. Besides these lands pooled with the society, the members own about 85 acres outside the society. It is not compulsory for members to put in a minimum amount of labour and so only 24 members work on the farm. The liability of a member is limited to five times the value of the share or shares held by him.

There is a board of management of 8 elected members and one Departmental Supervisor as the *Ex*-officio Secretary. This committee is jointly responsible for the management of the farm. The land is divided for purposes of cultivation into 14 blocks. One of these blocks, consisting of 5 acres, is managed by the society in common for demonstration purposes. The other blocks are allotted to small groups consisting of 2 to 5 members each, a member having the option to join more than one group.

The implements and bullocks are maintained by the members individually after allowing for seed, the members of a group retain one-half of the produce. 25% of the net income is allotted to reserve fund, share dividend is allowed at 6¼% on the paid up share capital, and an amount not exceeding 50% of the net profit is distributed as ownership dividend on per acre basis. The profit for the year 1954-55 was Rs. 2,565.

The society received a subsidy of Rs. 1,500 from the co-operative department and Rs. 1,415 from the District Planning Committee. It has borrowed Rs. 4,000 at 6% per annum from the Central Co-operative Bank

13. *Joint Farming and Multi-purpose Co-operative Society Ltd., Karekere, Mysore*

The society was formed in 1952. 50 members (belonging to 40 families) pooled together 250 acres of land for joint management and cultivation. Subsequently 350 acres of land were taken from Government in the same locality. While the Government land is in one block, the holdings of the members which they have pooled, are scattered and have not been consolidated. The land is divided into 8 blocks and allotted to groups of members to work under general guidance of 8 directors who together constitute the executive of the Society. The president of the Society is an influential person, but generally remains out of the village. An Assistant Secretary to the Society, appointed by the Government, looks after day-to-day work of the farm. It was proposed to pay the workers according to number of man-days put in after paying a fixed rent (in kind per acre) and providing for reserve fund. But the produce so far has not been sufficient and the net produce is distributed according to the food requirement of each family.

The society has reclaimed 100 acres of land given by the State and provided some additional irrigation facilities. But on the whole, the agricultural standard on the farm has not sufficiently improved. One of the main reasons is that the president of the society who is also a member of the State Legislature, generally stays out and so also the Secretary. The affairs of the farm are looked after by an Assistant Secretary who does not have sufficient experience. There is not enough enthusiasm among the members for co-operative methods.

Collective Farming Societies

1. *Subhash Samudayik Sahakari Shetki Sangh Ltd., Village Manjri, Bombay*

The Society was formed in 1948. The present membership is 71. Of these 32 were working members and other were enrolled as sympathisers with a view to raise enough funds for the working of the society. The area held by the society consists of 223 acres taken on lease from Government. The rent payable is Rs. 35 per acre in addition to a local fund charged at annas 3 per acre. This year the Society has purchased 150 acres partly from local owners and partly from Government. The entire equipment is owned by the society.

Shri Annasaheshstebudhe is the Chairman. The whole area is worked as one unit. The work is allotted to the members from day-to-day by an elected supervisor member. The daily allocation of work is shown on the notice board. There is a paid manager, an agricultural graduate and a social worker, who is, in fact, the real guide and philosopher of the society. The Society, because of its nearness to Poona and other market centres, has specialised in growing vegetables, fodder and sugar cane. It is estimated

that each member gets Rs. 130 per month as wages and other emoluments. The society is reported to be gaining popularity.

It received from Government :

Loans	.. ..	Rs. 19,200 and
Subsidy	.. ..	Rs. 10,360

It has invested in development as under :

(1) Land Development	.. ..	Rs. 10,300
(2) Construction of wells	.. ..	Rs. 10,500
(3) Machinery and Live-stock	..	Rs. 35,000
(4) Houses	.. ..	Rs. 15,500

The total assets of the society on June 30, 1954 were estimated at Rs. 2,16,000 and the liability to Government and on account of deposits from members and non-members is about Rs. 23,000.

2. *Sulia Joint Farming Co-operative Society, Un-limited, Orissa*

The society was registered only in 1955, but it has been working since October, 1952. 40 landless families of Solapata have purchased 205 acres of jungle land in the vicinity for development and cultivation. All the members work at the farm under general guidance of an elected committee (panchayat) and supervision of the President who is an influential man of the area and commands universal respect amongst the members. The members are given free ration and at the end of the year after providing for development work and special funds, the balance is distributed according to the man-days put in. Each member has invested Rs. 125 towards purchase of land and has got a share of Rs. 5. The bye-laws insist that the members should reside within 5 miles from Solapata and actually participate in the work.

All the members are hard working people with team spirit. Most of the area which consisted of un-reclaimed virgin land has now been cleared and reclaimed and brought under cultivation. The entire land is in one block and is managed as one farm. They have not depended upon the State. Recently, the society borrowed Rs. 2,700 from the Central Bank for improvement work.

3. *Gopabandhu Joint Co-operative Farming Society, Un-limited, Orissa*

The society was formed in 1950. It has taken 187 acres of jungle land from the Government and has, in addition, purchase 39 acres for clearance and development for cultivation. There are at present 17 members, 8 of whom actually work on the farm. The bye-laws insist that all the members should work on the farm. This condition is responsible for 36 members leaving the society so far. Even now there are as many as 9 members of the society who are absentees and have got in to be benefited by the appreciation of value of land developed by the society.

The farm is managed as one unit. The members work under the guidance of an elected committee. The President of the committee is an

influential person and is the person behind the experiment. The members are paid wages in cash 5 to 10 per cent. below the market value and the net proceeds after making allowance for payment of loans and development work are distributed among the members according to the number of man-days labour put in by each member.

Due to shortage of labour-power of members and their families, the work has been rather slow. Only half the unreclaimed area has been so far cleared. In many cases, they did not follow up cultivation and forest vegitation has again grown up. In 1953-54, the society in fact had to lease out 30 acres.

There is much dependence on the State for finances and technical assistance. Besides, loans of Rs. 15,000 from the Revenue Department and Rs. 13,000 from Central Bank, the society has received Rs. 24,155 as subsidy and grant from the State Government for land improvement. A supervisor of the Co-operative Department has been attached with the society to supervise the farm work, arrange supplies, maintain the accounts and records and assist the President.

4. *Halaganahally Depressed Class Residential Agricultural Co-operative Farming Society Ltd. (Distt. Kolar), Mysore*

The society was formed in 1950. 240 acres of waste lands on which date-palm trees were growing, were taken from the Government on lease for the resettlement of landless Harijans residing in the village or the locality. 43 members joined. The area was cleared by the members and made fit for cultivation.

The entire area is cultivated as one unit. The work is done under the directions of an official secretary appointed by the Government. The Sub-Divisional Officer is the president of the society. The official secretary is assisted by a Board of Directors elected by the members.

The work is allotted among the members by the society. The net produce is divided among the members according to the work days put in by each. There are complaints that some members do not put forth enough labour. There is a strong feeling among the members that the land should be distributed for individual cultivation. The society has received Rs. 50,000 as grants from the Government. Two wells have been constructed and pumping sets have been installed. 85 acres are, thus, irrigated from these wells and the rest of the area is under dry cultivation.

5. *Vallabhpura Co-operative Farming Society, Thalikattee Kawal, Mysore*

The society was formed in 1950. 63 families secured 762 acres of Government land most of which was grazing land. The society reclaimed the area and brought it under cultivation. The entire land is managed as one farm for all agricultural operations. It is compulsory for every member to reside on the site provided for construction of houses for the members and actually work on the farm. They also maintain major farm

equipment. The members work under general instructions of the secretary and get wages therefor. For practical convenience, the secretary allots plots of land for care of each member. The secretary works on behalf of an elected Executive Committee of which the Sub-Divisional Officer is the president.

There is too much dependence on State assistance in management as well as in finances. The Society has received over Rs. 10,000 as grant, subsidy etc. from the Government. No land revenue has been charged from the Society so far. Tractor ploughing has been done free of charge for reclaiming land.

In spite of all this help, the yield per acre still remains low. There is lack of enthusiasm for co-operative methods and there is a demand for distributing the land into plots for individual cultivation by members.

TENANTS FARMING SOCIETIES

1. *Karlkatti Group Sahakari Samuhik Okkal Tanada Sangh Ltd., (Distt. Belgaum), Bombay*

It was organised in 1950. Its present membership is 51 consisting mostly of landless labourers. Since the institution of the society, 8 members have resigned. The lands of the society comprise 200 acres of waste lands taken on 15 years' lease from the Government. Some members hold lands of their own but outside the area of the operation of the society.

Collective management was tried in the first instance. The work did not proceed well and reclamation was very slow. There was also misappropriation by the secretary. Consequently, the land was for the purposes of reclamation and cultivation, distributed among the members. The implements and bullocks are also owned individually. The society has received from Government Rs. 4,000 as loans and Rs. 500 as subsidy.

2. *The Vihad Co-operative Rehabilitation Collective Farming Society, Ltd., Madhya Pradesh*

The society was set up in 1949 to rehabilitate 100 families of displaced persons. 3,171 acres of forest block was given to the society for clearance, development and cultivation. An amount of Rs. 5,000 was allotted by the Government to each member through the society—Rs. 1,450 as grant and Rs. 3,550 as loan recoverable in 20 instalments. Concession was given in respect of land revenue and irrigation rate.

So far only 320 acres have been cleared for cultivation. There are at present 55 members, the remaining having gone away. Land is allotted for cultivation to members and they cultivate it individually. It is not a Collective Farming Society. Even as a colonisation society it has not been much successful. The reasons are :—

(1) There is no person of initiative and drive, who enjoys the confidence of the settlers and who has faith in co-operative endeavour. There

is no person amongst the members who stood above all others and could be treated as a leader of the people. As for officials, the Deputy Collector, Chand, who was the *ex*-officio, President, could not devote sufficient time to the society. The State Government's appointed manager did nothing more than maintaining the accounts.

(2) The State itself was not clear about the pattern of co-operative management and cultivation of the farm. The loan and subsidy for purchase of bullocks, implements and development of the area was given not to the society as such, but to members. In most cases, the members did not spend the amount properly. 44 out of 100 members did in fact, disappeared and the amount given to them will have to be treated as bad debt. The agricultural implements and livestock became the private property of individual members. They were also given to understand that after developing the area each of them will get 10 acres of cultivated area and 20 acres of forest land. All this did not fit in with the pattern of collective management and cultivation which was stated to be the object of the society.

Even for marketing and movement of crops, the society did not make arrangements.

(3) The area was cleared not in one block but in a number of blocks and so could not be cultivated as one unit.

(4) The members were not well versed with the cultivation of paddy. They were in West Pakistan area, before settling in Vihad, cultivating wheat, Paddy cultivation was a new experiment and it is stated that the Agricultural Department did not give proper guidance and assistance in the matter.

3. *Andhiyur Agricultural Colonisation Society, Madras*

It was registered in 1942. Its membership consists of 73, all landless labourers. The total area held in 431 acres which was taken from Government on a raiyatwari patta, the price being payable in 20 equal instalments. The lands have been allotted to members for individual cultivation. The individual members have all the rights in the land allotted to them except that of transfer or mortgage. The society assists them by supplying credit, seeds, manure, implements etc. Marketing of produce is done individually.

4. *Losarigutlapadu Land Colonisation Co-operative Society, Andhra*

This society was formed in 1942. The present membership is 393. The members generally belong to the Backward Communities. The society has been assigned 1,188 acres by the Government. 1,112 acres out of it have been reclaimed and developed by the society and brought under cultivation. For the purposes of cultivation, the land is allotted to

individual members, generally 3 acres per family. Cultivation is done individually by each family.

The members have contributed Rs. 3,930 towards the share capital of the society. The Government have given over Rs. 25,000 as grants for purchase of bulls, implements etc. and a loan of about Rs. 21,000.

The objective of the society is rather limited, getting together for reclaiming and developing land for individual cultivation for those who were landless.

5. *Co-operative Tenant Farming Society, Malkapur, Hyderabad.*

The society was set up in 1951. It has 135 members. The society has taken on perpetual lease 3,476 acres of land of which 2,000 acres are cultivable, from Raja of Vallur on payment of a rent of Rs. 2,000 annually. The Society has also received 125 acres of land (cultivable waste) from the State. Over a thousand acres have so far been reclaimed and brought under cultivation.

The cultivated area is divided into 22 blocks for clearance and cultivation by groups of members. Each group elects its own leader and the members work under general guidance. All farming operations are done by the members of each group. The society looks after their common interests for which it receives 1/4th of the produce from each block. Even for marketing the society has not made any arrangement, though generally the groups get together and engage a lorry and market the produce at Hyderabad.

Inside the block the members get a share of the produce in proportion to the number of work hours contributed by each member and his family. Certain influential members have even employed a few servants. There are as many as 85 persons who are either relatives of the members or farm servants working on the farm. All workers are expected to work throughout the year and no work-registers are maintained. Each worker is expected to bring his own bullocks and plough, whenever required.

The State assistance has been nominal and the society has depended more upon its own resources. The binding factor has been the faith in co-operative methods. A case against the society for unlawful possession by the ex-lessee of the Raja, now pending in the High Court, has worked as an external unifying factor.

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